

Supplement to

SENATE JOURNAL

Forty-third Legislature—First Called Session

PROCEEDINGS OF INVESTIGATING COMMITTEE

[Note: All exhibits referred to are contained in documents and reports filed with the Secretary of the Senate.

Austin, Texas,
September 20, 1933.

To the Texas State Senate,
43rd Legislature in First Called Session:

Responding to Senate Resolution No. 9, received at my office on Monday, September 18, 1933, I desire to report as follows in triplicate:

On January 24, 1933, I had my Secretary to write to former Governor R. S. Sterling as follows:

"January 24, 1933.

Governor R. S. Sterling,
Sterling Building,
Houston, Texas.
My dear Governor:

We have not as yet located the file or record showing the amount of money received and disbursed by you under the Reconstruction Finance Corporation Employment Relief, and the Governor would appreciate it if you will kindly advise us with reference to this matter.

Respectfully,

J. H. Davis, Jr.,
JHD:cl Secretary to the Governor." to which he replied as follows:

"Houston, Texas, Jan. 26, 1933.

Mr. J. H. Davis, Jr.,
Secretary to the Governor,
Austin, Texas.
Dear Sir:

Replying to your letter of January 24th in which you state that you are unable to locate the files or records showing the amount of money received and disbursed which was received from the Reconstruction Finance Corporation, beg to advise that there is an exhaustive file among the records of the Governor's office.

There was no balance left in the

Governor's fund for this purpose as it was all turned over to the counties of Texas through the East Texas Chamber of Commerce, the West Texas Chamber of Commerce and the South Texas Chamber of Commerce. Full report was made by me to the Reconstruction Finance Corporation showing the disposition of these funds and, as stated above, there was no balance left to be transferred to the incoming administration. The last money distributed to the different relief committees over the State was for January and February. All allotments made to the State of Texas by the Reconstruction Finance Corporation have been distributed and accounted for.

The Secretaries and Managers of the three regional Chambers of Commerce were very efficient in aiding in the distribution of these funds to the local committees throughout the State.

Yours very truly,
R. S. Sterling."

On February 10, 1933, at my direction my Secretary wrote to Mr. Sterling as follows:

"My dear Governor Sterling:

On January 27th at the direction of the Governor I wrote you requesting that the bonds given by the Chairmen of the various local committees of the Reconstruction Finance Corporation relief for the destitute be returned to this office in as much as they were payable to the Governor and his successors in office. I received a letter from your Secretary stating that my letter had been received in your absence, and the Governor has heard nothing further from you in regard to the matter. The premium on these bonds, as the Governor understands it, was paid from the administration fund allowed by the Reconstruction Finance

Corporation, and it would be quite expensive to obtain new bonds.

Thanking you in advance for your reply, I am,

Very truly,

J. H. Davis, Jr.,

JHD:kt Secretary to the Governor."

To which Mr. Sterling replied as follows:

"Houston, Texas, Feb. 13, 1933.

Mr. J. H. Davis, Jr.,
Secretary to the Governor,
Austin, Texas.

Dear Sir:

Replying to your letter of February 10th in reference to the bonds furnished by the different Relief Committees through the three Regional Chambers of Commerce, will say that these bonds have all been returned to the three Regional Secretaries.

Yours very truly,

R. S. Sterling."

On February 15, 1933, at my direction my Secretary wrote to Mr. Sterling as follows:

"My dear Governor:

Your letter of the 13th is received, and no doubt the secretaries of the three regional Chambers of Commerce will forward the bonds of the county relief chairmen to this office in due course. The Governor is called upon to make a report of all funds received and disbursed under the R. F. C. Emergency Relief Act, and she would appreciate it if you will kindly forward to her such information and data as you may have in connection with the Fund, in order that this report may be made. If you have no other data, you might send the cancelled vouchers.

Very truly yours,

J. H. Davis, Jr.,

JHD:kt Secretary to the Governor."

On February 16, 1933, Mr. Sterling replied as follows:

"Houston, Texas, Feb. 16, 1933.

Mr. J. H. Davis, Jr.,
Secretary to the Governor,
Austin, Texas.

Dear Sir:

I am in receipt of your letter of the 15th and have noted carefully what you have to say, particularly in reference to the Governor having to make report of all funds received and disbursed under the Reconstruction Finance Corporation Act.

For your information, all moneys received by me as Governor from the R. F. C. have been accounted for to the R. F. C. at Washington. The present Governor will in no way be accountable or responsible for the funds received and accounted for by me.

Yours very truly,

R. S. Sterling."

During the above exchange of correspondence Dr. A. W. McMillen, Field Representative of the R. F. C., called on me concerning amounts obtained by the Governor of Texas from said corporation for the relief of destitute unemployed and explained to me that it was the desire of the Corporation that these funds be administered through a central administrative agency. I inquired from him if a statement filed with the Reconstruction Finance Corporation showing the amount of administrative expense, for State purposes, together with a list of the names of the persons or organizations in each county to whom funds were sent giving the amount sent to each county, leaving it up to the county committee to look after the accounting and administration, would be sufficient. He stated that he would call Mr. Croxton, Assistant to the Directors of the Reconstruction Finance Corporation, by telephone and ask him for his opinion. The next morning Mr. McMillen reported to me that Mr. Croxton's reply to the inquiry was that the test is: can the Governor stand an audit at any time? Mr. McMillen thereupon advised me that the Corporation would expect an accounting from the central office of the funds expended at stated intervals.

I had re-appointed the Managers of the three Regional Chambers of Commerce as members of the Governor's Committee, and added to them Honorable T. A. Low of Brenham, Honorable Harry Tom King of Abilene and Honorable William Cameron of Waco, which six gentlemen February 6, 1933, organized as the Texas Relief Commission, with the Governor as Chairman and the Secretary of State as Vice-Chairman.

There was pending at that time before the Directors of the Reconstruction Finance Corporation my application as Governor for relief funds for the months of March and April,

which application was based upon supporting data furnished to the managers of the three regional Chambers of Commerce by the county committees then existing and which I had re-appointed soon after my inauguration as Governor.

I received under date of March 3, 1933, the following communication from Honorable Fred C. Croxton, Assistant to the Directors of the Reconstruction Finance Corporation, Washington, D. C.:

"Honorable Miriam A. Ferguson,
Governor, State of Texas,
Austin, Texas.

Dear Governor Ferguson:

This letter will confirm the telegram which was immediately sent you upon action of the Board of Directors of the Reconstruction Finance Corporation, making available \$1,377,955 to meet current emergency relief needs in 242 political subdivisions of the State during the month of March only, under Title 1, Section 1, subsection (c) of the Emergency Relief and Construction Act of 1932.

We especially call your attention to the three definite steps pointed out in the enclosed recommendation. Consideration of relief needs for the month of April will be dependent upon the progress that is made towards the accomplishment of these three purposes.

A form of receipt to be completed and delivered by you to the Federal Reserve Bank of Dallas, upon payment of the amount authorized, has been sent to you under separate cover.

For your information we are enclosing a copy of the resolution adopted by the Board.

Very truly yours,

Fred C. Croxton,
Assistant to the Directors."

Enclosures.

I quote from the recommendation referred to in Mr. Croxton's letter:

"Consideration of the needs for April will be given when certain definite steps are taken by the State of Texas to accomplish the following purposes:

1. To develop a satisfactory accounting system which will enable the Governor who under the law is responsible for all such funds made available to 'file with the Corpora-

tion and with the Auditor of the State a statement of disbursements made by him.' (See Title 1 of the Emergency Relief and Construction Act of 1932);

2. To provide a state administration from which county administrative units may obtain skilled help and guidance and to improve administration within the State and its local political subdivisions;

3. To make definite progress toward a state legislative program that will enable the State and its political subdivisions to assume a fuller share of the relief needs of distressed people within the State.

It should be further emphasized that when it becomes necessary as in the State of Texas, for state administration funds to be made available from the Federal Government, it is absolutely imperative that the central administrative organization be developed in such manner as to give the most helpful co-ordination direction and guidance to relief activities throughout the political subdivisions of the state. If, in addition to a strong central administration, the Governor sees need for certain regional expenditures, such expenditures should have the approval of the central office and the general administrative plan should have the approval of the Corporation."

This information is transmitted to you in order that you may be advised as to why the present administrative program was developed, and, thereupon, with the approval of Dr. McMillen, I appointed Honorable Lawrence Westbrook as Director of Relief in Texas.

I respectfully submit that without an efficient accounting and auditing system that it would be impossible for me to give you the information called for in your resolution. A partial report only of the funds received by various county committees prior to the time any funds were allotted to me as Governor, shows that at least \$105,000.00 was spent for administrative expense within the counties.

When funds were made available by the Reconstruction Finance Corporation and since May 20th, 1933, by the Federal Emergency Relief Administrator, they were placed by those agencies in the San Antonio Branch of the Federal Reserve Bank

of Dallas subject to properly executed receipt by the Governor of the State of Texas. That institution not carrying individual deposit accounts subject to check on demand as the funds were disbursed, it was necessary to place them in commercial banks so as to become subject to check on demand.

Soon after assuming the office of Governor I was informed that there was approximately \$34,000.00 of the funds allotted prior to my inauguration impounded in closed banks, only \$1,242.27 of which has been recovered. As funds were received by me from the Federal Reserve Bank they were deposited in various depository banks in reserve cities of Texas to the credit of the Texas Relief Commission and then disbursed by the Commission to the various political subdivisions as needed in smaller amounts at shorter intervals so as to avoid, if possible, losing such large amounts in small banks in distant sections of the State and the Commission has

been fortunate in not having any of the funds coming into its hands so impounded.

I attach hereto a statement of all funds received by me as Governor and which shows the disposition of said funds from January 17, 1933, to September 15, 1933.

Inasmuch as the records of receipts and disbursements of funds coming to me from the Reconstruction Finance Corporation and from the Federal Emergency Relief Administration since March 1, 1933, no funds having been allotted to or received by me as Governor prior to that date, and the other detailed information as to the administration of such funds are kept in the office of the Texas Rehabilitation and Relief Commission, I have requested that the Director furnish fully the information which you have requested and he advises me that he is doing so.

Respectfully submitted,
Miriam A. Ferguson,
Governor of Texas.

**STATEMENT OF
RECEIPTS AND DISBURSEMENTS OF RECONSTRUCTION FINANCE
CORPORATION FUNDS AND FROM FEDERAL EMERGENCY
RELIEF ADMINISTRATOR BY MIRIAM A. FERGUSON,
GOVERNOR OF TEXAS FROM JAN-
UARY 17, 1933, to MAY 20, 1933.**

Money made available by the Reconstruction Finance Corporation for destitute unemployed for the month of March, 1933:

March 3, 1933.....	\$ 344,489.00
March 10, 1933.....	349,489.00
March 17, 1933.....	344,489.00
March 24, 1933.....	344,488.00

\$1,382,955.00

March 10, 1933, Received cashiers checks from Federal Reserve Bank of Dallas, San Antonio Branch...\$ 344,489.00

March 11, 1933, Remitted for credit of Texas Relief Commission the following amounts, to the banks as named:

Commercial National Bank, San Antonio, Texas.....	\$ 50,000.00
Alamo National Bank, San Antonio, Texas	30,000.00
First National Bank, Dallas, Texas	30,000.00
Republic National Bank & Trust Co., Dallas, Texas.....	37,500.00
First National Bank, Fort	

Worth, Texas	30,000.00
Fort Worth National Bank, Fort Worth, Texas	25,000.00
Austin National Bank, Austin, Texas	25,000.00
American National Bank, Aus- tin, Texas	25,000.00
Citizens National Bank, Waco, Texas	25,000.00
National Bank of Commerce, Houston, Texas	40,739.00
First National Bank, Houston, Texas	25,000.00
American National Bank of Austin Administrative Fund	1,250.00
Total	\$ 344,489.00
March 18, 1933, Received cashiers checks from Federal Reserve Bank of Dallas, San Antonio Branch	
	\$ 349,489.00
March 18, 1933, Remitted for credit of Texas Relief Commission the follow- ing amounts, to the banks as named:	
Alamo National Bank, San Antonio, Texas	\$ 31,950.00
First National Bank, Dallas, Texas	53,300.00
Republic National Bank & Trust Co., Dallas, Texas	37,500.00
American National Bank, Aus- tin, Texas	52,636.25
First National Bank, Fort Worth, Texas	24,562.50
Fort Worth National Bank, Fort Worth, Texas	35,290.00
Commercial National Bank, San Antonio, Texas	33,950.00
First National Bank, Houston, Texas	42,250.00
National Bank of Commerce, Houston, Texas	31,800.00
American National Bank of Austin Administrative Fund	6,250.25
Total	\$ 349,489.00
March 23, 1933, Received cashiers checks from Federal Reserve Bank of Dal- las, San Antonio Branch	
	\$ 344,489.00
March 23, 1933, Remitted for credit of Texas Relief Commission the follow- ing amounts, to the banks named:	
First National Bank, Houston, Texas	\$ 42,250.00
National Bank of Commerce, Houston, Texas	31,800.00
First National Bank, Dallas, Texas	28,300.00
Republic National Bank & Trust Co., Dallas, Texas	37,500.00

Alamo National Bank, San Antonio, Texas	31,950.00
Commercial National Bank, San Antonio, Texas	33,950.00
Fort Worth National Bank, Fort Worth, Texas	35,290.00
First National Bank, Fort Worth, Texas	24,562.50
American National Bank, Austin, Texas	27,636.50
Austin National Bank, Austin, Texas	25,000.00
Citizens National Bank, Waco, Texas	25,000.00
American National Bank of Austin Administrative Fund	1,250.00
Total	\$ 344,489.00

March 31, 1933, Received cashiers checks from Federal Reserve Bank of Dallas, San Antonio Branch.....\$ 344,488.00

March 31, 1933, Remitted for credit of Texas Relief Commission the following amounts, to the banks named:

Fort Worth National Bank, Fort Worth, Texas	\$ 55,709.08
First National Bank, Fort Worth, Texas	56,383.44
National Bank of Commerce, Houston, Texas	25,147.73
First National Bank, Houston, Texas	25,402.13
First National Bank, Dallas, Texas	44,662.16
Republic National Bank & Trust Co., Dallas, Texas	44,160.17
Citizens National Bank, Waco, Texas	24,890.71
Alamo National Bank, San Antonio, Texas	24,697.34
Commercial National Bank, San Antonio, Texas	28,717.96
Austin National Bank, Austin, Texas	6,146.45
American National Bank, Austin, Texas	6,078.94
American National Bank of Austin Administrative Fund	2,491.89
Total	\$ 344,488.00

March 31, 1933, Federal Reserve Bank of Dallas, San Antonio Branch..... Balance NONE

Money made available by the Reconstruction Finance Corporation, for destitute unemployed for the month of April, 1933:

April 8, 1933	\$ 356,851.00
April 10, 1933	356,851.00

April 17, 1933	356,851.00
April 24, 1933	356,852.00
	\$1,427,405.00
April 11, 1933, Received cashiers checks from Federal Reserve Bank of Dal- las, San Antonio Branch	\$ 713,702.00
April 11, 1933, Remitted for credit of Texas Relief Commission the follow- ing amounts to the banks named:	
Alamo National Bank, San Antonio, Texas	\$ 59,175.00
Commercial National Bank, San Antonio, Texas	71,515.00
Republic National Bank & Trust Co., Dallas, Texas	123,500.00
American National Bank, Aus- tin, Texas	125,500.00
First National Bank, Houston, Texas	34,150.00
National Bank of Commerce, Houston, Texas	35,250.00
First National Bank, Fort Worth, Texas	40,212.50
Fort Worth National Bank, Fort Worth, Texas	35,825.00
First National Bank, Dallas, Texas	47,350.00
Austin National Bank, Austin, Texas	49,000.00
Citizens National Bank, Waco, Texas	88,475.00
American National Bank of Austin Administrative Fund	3,749.50
Total	\$ 713,702.00
April 21, 1933, Received cashiers checks from Federal Reserve Bank of Dal- las, San Antonio Branch	\$ 356,851.00
April 21, 1933, Remitted for credit of Texas Relief Commission the follow- ing amounts to the banks named:	
Commercial National Bank, San Antonio, Texas	\$ 35,757.50
Alamo National Bank, San Antonio, Texas	29,587.50
First National Bank, Dallas, Texas	23,675.00
First National Bank, Fort Worth, Texas	20,106.25
Fort Worth National Bank, Fort Worth, Texas	17,912.50
American National Bank, Aus- tin, Texas	62,750.00
Austin National Bank, Austin, Texas	24,500.00
Citizens National Bank, Waco, Texas	44,237.50

National Bank of Commerce, Houston, Texas	17,625.00
First National Bank, Houston, Texas	17,075.00
Republic National Bank & Trust Co., Dallas, Texas	61,750.00
American National Bank of Austin Administrative Fund	1,874.75
Total	\$ 356,851.00

April 29, 1933, Received cashiers checks from
Federal Reserve Bank of Dal-
las, San Antonio Branch

\$ 356,852.00

April 29, 1933, Remitted for credit of Texas
Relief Commission the follow-
ing amounts to the banks
named:

Alamo National Bank, San Antonio, Texas	\$ 29,587.50
Commercial National Bank, San Antonio, Texas	35,757.50
First National Bank, Dallas, Texas	23,675.00
First National Bank, Fort Worth, Texas	20,106.25
Fort Worth National Bank, Fort Worth, Texas	17,912.50
American National Bank, Aus- tin, Texas	62,750.00
Austin National Bank, Austin, Texas	24,500.00
Citizens National Bank, Waco, Texas	44,237.50
National Bank of Commerce, Houston, Texas	17,625.00
First National Bank, Houston, Texas	17,075.00
Republic National Bank & Trust Co., Dallas, Texas	61,750.00
American National Bank of Austin Administrative Fund	1,875.75
Total	\$ 356,852.00

April 30, 1933, Federal Reserve Bank of Dal-
las, San Antonio Branch

Balance

NONE

Money made available by the
Reconstruction Finance Cor-
poration, for the destitute un-
employed for the month of
May, 1933, and by the Federal
Emergency Relief Adminis-
trator.

Reconstruction Finance Cor-
poration:

May 1, 1933	\$ 43,011.00
May 16, 1933	968,787.00
Federal Emergency Relief Administrator:	
May 25, 1933	611,865.00

May 29, 1933	322,707.00	
		\$1,946,370.00
May 6, 1933, Received cashiers checks from Federal Reserve Bank of Dallas, San Antonio Branch	\$ 43,011.00	
May 6, 1933, Remitted to Republic National Bank & Trust Co., Dallas, for credit of Texas Relief Commission	\$ 43,011.00	
May 20, 1933, Received cashiers checks from Federal Reserve Bank of Dallas, San Antonio Branch	\$ 968,787.00	
May 20, 1933, Remitted for credit of Texas Relief Commission, the following amounts in the banks named:		
Austin National Bank, Austin, Texas	\$ 54,618.00	
First National Bank, Dallas, Texas	93,236.00	
Citizens National Bank, Waco, Texas	103,573.00	
American National Bank, Austin, Texas	152,261.00	
First National Bank, Fort Worth, Texas	38,306.00	
First National Bank, Houston, Texas	42,262.00	
Fort Worth National Bank, Fort Worth, Texas	54,151.00	
Commercial National Bank, San Antonio, Texas	107,641.00	
Alamo National Bank, San Antonio, Texas	78,932.00	
Republic National Bank & Trust Co., Dallas, Texas	147,611.00	
National Bank of Commerce, Houston, Texas	90,067.00	
American National Bank of Austin Administrative Fund	6,129.00	
Total	\$ 968,787.00	
May 31, 1933, Federal Reserve Bank of Dallas, San Antonio Branch		Balance \$ 934,572.00

**STATEMENT OF
RECEIPTS AND DISBURSEMENT OF FEDERAL EMERGENCY RELIEF
ADMINISTRATOR FUNDS BY MIRIAM A. FERGUSON,
GOVERNOR OF TEXAS, FROM MAY 20, 1933,
TO SEPTEMBER 16, 1933.**

Money made available by the Federal Emergency Relief Administrator, for destitute unemployed for the month of June, 1933:

June 20, 1933 \$ 532,527.00

June 30, 1933		808,429.00
		<u>\$1,340,956.00</u>
Total available in June, 1933		<u>\$2,275,528.00</u>
June 1, 1933,	Received cashiers checks from Federal Reserve Bank of Dal- las, San Antonio Branch.....	\$ 611,865.00
June 1, 1933,	Remitted for credit of Texas Relief Commission the follow- ing amounts to the banks named:	
	American National Bank, Aus- tin, Texas	\$ 97,994.00
	Republic National Bank & Trust Co., Dallas	95,000.00
	First National Bank, Fort Worth, Texas	25,000.00
	Fort Worth National Bank, Fort Worth, Texas	30,000.00
	Alamo National Bank, San Antonio, Texas	50,000.00
	Commercial National Bank, San Antonio, Texas	70,000.00
	Citizens National Bank, Waco, Texas	60,000.00
	First National Bank, Houston, Texas	25,000.00
	National Bank of Commerce, Houston, Texas	60,000.00
	First National Bank, Dallas, Texas	60,000.00
	Austin National Bank, Austin, Texas	35,000.00
	American National Bank of Austin Administrative Fund	3,871.00
Total		<u>\$ 611,865.00</u>
June 8, 1933,	Received cashiers checks from Federal Reserve Bank of Dal- las, San Antonio Branch	\$ 322,707.00
June 10, 1933,	Remitted for credit of Texas Relief Commission the follow- ing amounts to the banks named:	
	American National Bank, Aus- tin, Texas	\$ 57,707.00
	Republic National Bank & Trust Co., Dallas	50,000.00
	First National Bank, Fort Worth, Texas	15,000.00
	Fort Worth National Bank, Fort Worth, Texas	15,000.00
	Alamo National Bank, San Antonio, Texas	25,000.00
	Commercial National Bank, San Antonio, Texas	35,000.00
	Citizens National Bank, Waco, Texas	30,000.00
	First National Bank, Houston, Texas	15,000.00

National Bank of Commerce, Houston, Texas	30,000.00
First National Bank, Dallas, Texas	30,000.00
Austin National Bank, Austin, Texas	20,000.00
Total	\$ 322,707.00
June 27, 1933, Received cashier's checks from Federal Reserve Bank of Dal- las, San Antonio Branch	\$ 532,527.00
June 27, 1933, Remitted for credit of Texas Relief Commission the follow- ing amounts to the banks named:	
American National Bank, Aus- tin, Texas	\$ 75,527.00
Republic National Bank & Trust Co., Dallas, Texas	80,000.00
First National Bank, Fort Worth, Texas	20,000.00
Fort Worth National Bank, Fort Worth, Texas	35,000.00
Alamo National Bank, San Antonio, Texas	40,000.00
Commercial National Bank, San Antonio, Texas	65,000.00
Citizens National Bank, Waco, Texas	55,000.00
First National Bank, Houston, Texas	21,000.00
National Bank of Commerce, Houston, Texas	65,000.00
First National Bank, Dallas, Texas	46,000.00
Austin National Bank, Austin, Texas	20,000.00
American National Bank of Austin Administrative Fund	10,000.00
Total	\$ 532,527.00
Total withdrawn in June	\$1,467,099.00
June 30, 1933, Federal Reserve Bank of Dal- las, San Antonio Branch	Balance \$ 808,429.00
Money made available by the Federal Emergency Relief Administrator, for the month of July, 1933:	
July 20, 1933	\$ 813,491.00
July 29, 1933	447,928.00
	\$1,261,419.00
Total available in July	\$2,069,848.00
July 13, 1933, Received cashiers checks from Federal Reserve Bank of Dal- las, San Antonio Branch	\$ 650,000.00

July 13, 1933, Remitted for credit of Texas Relief Commission, the following amounts to the banks named:

Fort Worth National Bank, Fort Worth, Texas	\$ 60,000.00
First National Bank, Fort Worth, Texas	60,000.00
Republic National Bank & Trust Co., Dallas, Texas	60,000.00
First National Bank, Dallas, Texas	60,000.00
Citizens National Bank, Waco, Texas	60,000.00
Commercial National Bank, San Antonio, Texas	60,000.00
First National Bank, Houston, Texas	60,000.00
American National Bank, Austin, Texas	60,000.00
Alamo National Bank, San Antonio, Texas	55,000.00
National Bank of Commerce, Houston, Texas	55,000.00
Austin National Bank, Austin, Texas	55,000.00
American National Bank of Austin Administrative Fund	5,000.00
Total	\$ 650,000.00

July 22, 1933, Received cashiers checks from Federal Reserve Bank of Dallas, San Antonio Branch

\$ 158,429.00

July 22, 1933, Remitted for credit of Texas Relief Commission the following amounts to the banks named:

Republic National Bank & Trust Co., Dallas, Texas	\$ 25,000.00
National Bank of Commerce, Houston, Texas	28,000.00
Citizens National Bank, Waco, Texas	15,000.00
Austin National Bank, Austin, Texas	10,000.00
American National Bank, Austin, Texas	17,429.00
Fort Worth National Bank, Fort Worth, Texas	13,000.00
First National Bank, Fort Worth, Texas	10,000.00
First National Bank, Dallas, Texas	15,000.00
Alamo National Bank, San Antonio, Texas	12,000.00
Commercial National Bank, San Antonio, Texas	13,000.00
Total	\$ 158,429.00

July 25, 1933, Received cashiers checks from
Federal Reserve Bank of Dal-
las, San Antonio Branch.....\$ 813,491.00

July 25, 1933, Remitted for credit of Texas
Relief Commission the follow-
ing amounts to the banks
named:
Republic National Bank &
Trust Co., Dallas, Texas.....\$ 125,000.00
First National Bank, Houston,
Texas 35,000.00
Citizens National Bank, Waco,
Texas 80,000.00
National Bank of Commerce,
Houston, Texas 80,000.00
Austin National Bank, Austin,
Texas 45,000.00
Fort Worth National Bank,
Fort Worth, Texas..... 35,000.00
First National Bank, Fort
Worth, Texas 30,000.00
First National Bank, Dallas,
Texas 80,000.00
Alamo National Bank, San
Antonio, Texas 70,000.00
Commercial National Bank,
San Antonio, Texas..... 100,000.00
American National Bank, Aus-
tin, Texas 118,491.00
American National Bank of
Austin Administrative Fund..... 15,000.00

Total.....\$ 813,491.00

Total withdrawn in July.....\$1,621,920.00

July 31, 1933, Federal Reserve Bank of Dal-
las, San Antonio Branch..... Balance \$ 447,928.00

Money made available by the
Federal Emergency Relief Ad-
ministrator, for the month of
August, 1933:

August 9, 1933.....\$1,377,820.00
August 20, 1933..... 1,000,000.00

\$2,377,820.00

Total available for August.....\$2,825,748.00

Aug. 2, 1933, Received cashiers checks from
Federal Reserve Bank of Dal-
las, San Antonio Branch.....\$ 447,928.00

Aug. 2, 1933, Remitted for credit to Texas
Rehabilitation and Relief Com-
mission, the following amounts
to the banks named:
Alamo National Bank, San
Antonio, Texas\$ 52,000.00
First National Bank, Dallas,
Texas 13,000.00

First National Bank, Fort Worth, Texas	48,000.00
Fort Worth National Bank, Fort Worth, Texas	52,000.00
American National Bank, Austin, Texas	55,000.00
Austin National Bank, Austin, Texas	50,000.00
Citizens National Bank, Waco, Texas	12,000.00
First National Bank, Houston, Texas	60,000.00
Republic National Bank & Trust Co., Dallas, Texas	43,928.00
Frost National Bank, San Antonio, Texas	62,000.00
Total	\$ 447,928.00
Aug. 16, 1933, Received cashiers checks from Federal Reserve Bank of Dallas, San Antonio Branch	
	\$ 557,000.00
Aug. 16, 1933, Remitted for credit of Texas Rehabilitation and Relief Commission, the following amounts to the banks named:	
Alamo National Bank, San Antonio, Texas	\$ 40,000.00
First National Bank, Dallas, Texas	50,000.00
First National Bank, Fort Worth, Texas	40,000.00
Fort Worth National Bank, Fort Worth, Texas	30,000.00
American National Bank, Austin, Texas	68,000.00
Austin National Bank, Austin, Texas	24,000.00
Citizens National Bank, Waco, Texas	58,000.00
National Bank of Commerce, Houston, Texas	50,000.00
First National Bank, Houston, Texas	50,000.00
Republic National Bank & Trust Co., Dallas, Texas	80,000.00
Frost National Bank, San Antonio, Texas	52,000.00
American National Bank of Austin Administrative Fund	15,000.00
Total	\$ 557,000.00
Total withdrawals in August	<u>\$1,004,928.00</u>
Aug. 31, 1933, Federal Reserve Bank of Dallas, San Antonio Branch	Balance \$1,820,820.00
Money made available for Federal Emergency Relief Administrator for the month of September, 1933	NONE

Sept. 7, 1933, Received cashiers checks from
Federal Reserve Bank of Dal-
las, San Antonio Branch.....\$ 259,000.00

Sept. 7, 1933, Remitted for credit of Texas
Rehabilitation and Relief Com-
mission the following amounts
to the banks as named:

Alamo National Bank, San Antonio, Texas	\$ 35,000.00
First National Bank, Dallas, Texas	31,000.00
First National Bank, Fort Worth, Texas	40,000.00
American National Bank, Aus- tin, Texas	43,000.00
First National Bank, Houston, Texas	28,000.00
Republic National Bank & Trust Co., Dallas, Texas	37,000.00
Frost National Bank, San An- tonio, Texas	30,000.00
American National Bank of Austin Administrative Fund	15,000.00
Total	\$ 259,000.00

Sept. 11, 1933, Received cashiers checks from
Federal Reserve Bank of Dal-
las, San Antonio Branch \$ 200,000.00

Sept. 11, 1933, Remitted for credit of Texas
Rehabilitation and Relief Com-
mission the following amounts
to the banks as named:

Fort Worth National Bank, Fort Worth, Texas	\$ 43,000.00
Austin National Bank, Austin, Texas	40,000.00
Citizens National Bank, Waco, Texas	28,000.00
National Bank of Commerce, Houston, Texas	44,000.00
First National Bank, Houston, Texas	15,000.00
Republic National Bank & Trust Co., Dallas, Texas	10,000.00
Frost National Bank, San An- tonio, Texas	20,000.00
Total	\$ 200,000.00

Total withdrawals, September 1-15	\$ 459,000.00
Balance now in Federal Re- serve Bank of Dallas, San An- tonio Branch	<u>\$1,361,820.00</u>

Recapitulation:

Total amount made available by Reconstruc- tion Finance Corporation and Federal Emer- gency Relief Administrator to Miriam A. Ferguson, Governor of Texas	\$9,736,925.00
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Total amount received from Federal Reserve
 Bank of Dallas, San Antonio Branch\$8,375,105.00
 Balance in Federal Reserve Bank of Dallas,
 San Antonio Branch, September 15, 1933.....\$1,361,820.00

There is a request outstanding under date
 of September 15, 1933, for \$392,000.00 for
 current needs.

Austin, Texas Sept. 21, 1933.

Pursuant to H. S. R. No. By Daniel, as amended and passed by the Senate. The Senate acting as a Committee of the Whole, convened in the Senate Chamber at the Capitol, in Austin, Texas, on this date for the purposes embraced in said resolutions, the resolutions being as follows:

Whereas, S. J. R. No. 30, proposing an amendment to the Constitution of this State authorizing the Legislature to issue and sell bonds of the State of Texas not to exceed the sum of twenty million dollars, the proceeds to be used in furnishing relief to needy and distressed people and in relieving the hardships resulting from unemployment, was adopted by vote of the people on August 26, 1933, and the results of said election have been officially declared; and

Whereas, The Legislature has been called in extraordinary session by the Governor of this State for the purpose, among other things, of enacting appropriate legislation to carry out said constitutional amendment; and

Whereas, It is necessary and appropriate that the Legislature should have the benefit of all information and data which can possibly be secured in order to enact proper and desirable laws to effectively carry out the provisions of such constitutional amendment and provide for the relief of the needy and distressed of this State; and

Whereas, By virtue of the passage of Chapter 141, Acts of the Forty-third Legislature at its regular session, the Texas Rehabilitation and Relief Commission was created and since the time of its creation has been in charge of the distribution of relief funds furnished or allotted to the State of Texas for the relief of the needy, distressed and starving people of this State; and such Texas Rehabilitation and Relief Commission, of which the Governor

of Texas is the ex-officio chairman, is in possession of all the facts and records pertaining to the expenditure and distribution of such funds allotted by the Federal Government for the benefit of the needy people of this State; and

Whereas, Prior to the creation of such Texas Rehabilitation and Relief Commission all funds allotted for the relief of the distressed and needy citizenship of this State were handled directly by the Governor of Texas; now, therefore, be it

Resolved by the House of Representatives, That the said Texas Rehabilitation and Relief Commission, Her Excellency, Governor Miriam A. Ferguson and former Governor R. S. Sterling be and they are hereby respectfully requested to furnish and file with the Chief Clerk of the House of Representatives by Thursday, September 21, 1933, triplicate statements in writing giving the following information:

1. The date and amount of each sum received by either of said agencies or officers, together with the total sum received;

2. The place or places of deposit of such sums, and the name under which the account was carried;

3. The date and amount of each sum sent or allotted for expenditure in any county, city, or other political subdivision of this State, together with the names of the person, persons or organization to which such sums were entrusted.

4. The total amounts expended or sent out for distribution each month by said Texas Rehabilitation and Relief Commission, or by either the present Governor or her predecessor in office, together with balances on hand, if any, each month down to the present time;

5. The amounts paid out for salaries or other administration and or other expenses each month, together with a list of the names of each and every employee or other person receiving expenses, in each

county allowance, or pay for assisting in the administration or distribution of such funds, together with a statement as to whether such salary, wages or pay has been supplemented from any other source; that is, if any of such persons or organizations have been paid in part from State funds and in part from Federal relief funds, then the amount of such supplemental pay;

6. The total number of employees by months utilized for the distribution or expenditure of any or all of said relief funds and engaged in such relief work; and be it further

Resolved that a copy of this resolution be immediately furnished to Hon. Lawrence Westbrook, director of said Texas Rehabilitation and Relief Commission, to the Governor of Texas, and to Hon. R. S. Sterling, former Governor of Texas, with the request that this resolution be in all things complied with as promptly as possible.

And S. R. No. 9, reading as follows:

Whereas, The House of Representatives has adopted the hereto attached resolution by a vote of 108 to 2; and

Whereas, The Senate has under consideration legislation dealing with the matters and things to which said resolution relates; and

Whereas, The persons requested to furnish the information can, without additional cost or expense, prepare duplicate reports as called for by said resolution and can file the same with the Secretary of the Senate; now, therefore, be it

Resolved, by the Senate of Texas that said resolution as adopted by the House, a copy of which is hereto attached, be and the same is hereby adopted by the Senate of Texas, and the Honorable Lawrence Westbrook and the Governor of Texas, Miriam A. Ferguson, and the Honorable Ross S. Sterling, former Governor of Texas, be requested to furnish to the Senate by filing with the Secretary thereof the same information in the same manner and form as requested by said resolution; be it further

Resolved, by the Senate of Texas, That in addition to the information requested in Section 5 of said resolution that said persons furnish the

additional information, to-wit: (A) the place of residence of each and every employee or other person receiving expenses, allowance, or pay for assisting in the administration or disposition of such funds, and if in any county any person has been employed in such capacity who was a resident of another county, then state the county of the residence of such person so employed to perform service in another county.

Chairman Purl: The Committee of the Whole Senate will come to order.

Pursuant to the resolution adopted yesterday the chairman appoints Senators Woodward, Small, Martin, Rawlings and Murphy to direct the testimony adduced here. Each Senator has the same privilege you have always had; it is a matter of expediency; it may be we will get along a little faster.

Colonel Westbrook has filed with the Secretary of the Senate a report, as requested by the Senate a few days ago in response to a resolution which was passed, as well as other data and information. I understand Colonel Westbrook is here this afternoon and will probably explain and amplify the report.

H. D. Mahaffey, W. E. Donnelly and H. L. Persinger were sworn as official shorthand reporters.

Chairman Purl: If there is no objection the reporters will put in the record the resolution adopted setting out the authority for this Committee's action.

Senator Poage: I want to object because it is already in the record and I don't see any reason for putting it in and paying for it again.

Chairman Purl: All right. There is objection. We will start off from the scratch right where you were, reporters!

What is the pleasure of the Committee? The five members of the Committee will come down in front there (indicating).

Senator Woodward: Mr. Chairman.

Chairman Purl: The Senator from Coleman.

Senator Woodward: Mr. Chairman, I understand Mr. Westbrook is present in response to the resolution adopted by the Senate, and that he has complied with the request

of the Senate and he has with him the report called for. It would be my suggestion and I therefore move that Mr. Westbrook at this time take the report and be permitted to explain it in his own way and to make any other comments he cares to make in reference to his connection with the relief work and the method of its operations, and that he be permitted to do that without interruption unless someone misunderstands what he might say, and at the conclusion of his statement that he then be permitted to answer questions that any member of the Senate will elect to propound.

Chairman Purl: You have heard the motion. Is there any discussion? If not, those, in favor of the motion, made by the Senator from Coleman, will say "yea."

Voices: Yea; yea.

Chairman Purl: Those opposed, "nay." So ordered.

Mr. Westbrook, if you will just proceed in your own way. I do want to caution you, however, if I may presume, that in talking you will talk louder than you ordinarily do because there is a lot of noise due to the fans.

Colonel Westbrook: Mr. President, and members of the Committee, if I may be permitted to do so, I would just like to sit here and discuss that report with you informally and give you as much information as I can about the subject that you have under discussion here.

I would like to ask those in the rear if you can hear me. Can you hear me in the rear back there, please?

Chairman Purl: Mr. Westbrook, I believe the rules provide that those who testify to facts are to be sworn.

Thereupon, Colonel Lawrence Westbrook, being duly sworn to tell the truth, the whole truth, and nothing but the truth, testified as follows:

Colonel Westbrook: First, I shall read the letter of transmittal (reading):

"Austin, Texas, Sept. 20, 1933.

Hon. Edgar E. Witt, President, Senate of the State of Texas.

My dear Governor Witt:

In compliance with the provisions of S. R. No. 9 I am transmitting

herewith duplicate of report furnished to the House of Representatives in accordance with H. R. No. 8. I have incorporated in this report the additional information requested in the Senate resolution.

The staff of this organization is at the service of the Senate to furnish such additional information as may be required.

Very respectfully,

(Signed)

LAWRENCE WESTBROOK.

(Typed)

LAWRENCE WESTBROOK,

Director."

Colonel Westbrook: This is the letter of transmittal which accompanied the report to the House, of which this report is a duplicate. (Reading):

Austin, Texas, Sept. 20, 1933.

Hon. Coke Stevenson, Speaker of the House of Representatives.

My dear Mr. Stevenson:

In accordance with the provisions of H. R. No. 8 passed September 15, 1933, I am transmitting herewith the information therein requested together with explanatory statements and other collateral information which it is hoped may be of interest and value.

Sections 1, 2, 3 and 4 of H. R. No. 8 are covered in the Auditor's report which is Section IV hereof. (See Exhibits A, B, C, Schedule 2; C, Schedule 1, respectively.)

Sections 5 and 6 of the resolution are covered in part by Exhibit "N" of Section II hereof and in part by Exhibit "D" and supporting schedules of Section IV hereof. Due to the fact that relief within the various counties is administered by self-contained units which select their employees generally without reference to the State headquarters, except for the administrator, we have no record of the names of the employees within the counties except for the current month.

The only employee being paid in part from State funds and in part from Federal funds is the undersigned. Reasons and authority therefor are attached hereto marked Exhibit A.

S. R. No. 9 calls for the same information as that called for by H. R. No. 8, and in addition requests "the place of residence of each and every employee or other

person receiving expenses, allowances, or pay for assisting in the administration or disposition of such funds, and if in any county any person has been employed in such capacity who was a resident of another county, then state the county of the residence of such person so employed to perform service in another county." This information is furnished insofar as is immediately obtainable in Exhibit "P" of Section II hereof. There probably are other employees within the county organization whose legal residence is in another county, but this office has no knowledge of such fact. In connection with the employment of county administrators, I am attaching as Exhibit "B" hereto copy of Instructions to our Field Representatives.

Section II of this report and supporting data thereto cover administrative expenses and procedure from March 1, 1933 to September 1, 1933.

Section III and supporting data present a history of the expenditure of relief funds from March 1, 1933 to September 1, 1933 and, based upon this experience, an estimate of possible requirements for the six months beginning October 1, 1933 and ending March 31, 1934. Figures given represent our maximum estimates for each month.

Section IV of this report and supporting data constitute the Auditor's report and are self-explanatory.

Section V is an explanation of "Work Relief" and of the work relief program which is at this time being inaugurated.

In conclusion it is desired to state that the staff of this commission is available to furnish additional information on any points not made clear or relative to any other phases of the commission's activities not covered herein.

Respectfully submitted,

(Signed)

LAWRENCE WESTBROOK.

(Typed)

LAWRENCE WESTBROOK,
Director.

Colonel Westbrook: Now, Mr. President and Members of the Committee, the narrative part of this report consists of only about one hundred pages, typewritten pages. I think it is important that it be

read, and I would like to avail myself of your kind offer to have the Secretary of the Senate read the narrative part of it and I will then attempt to explain it.

Chairman Purl: The Secretary of the Senate will please approach the Chair.

Senator Poage: Mr. Chairman, while you are waiting for the Secretary of the Senate—have you got one hundred pages that you are going to read into the record?

Chairman Purl: We have not determined whether it is going into the record or not. We can determine that right now.

Senator Poage: It is going to be printed in the Journal anyhow, isn't it?

Chairman Purl: That is a matter I think that the five members ought to suggest to the Senate, although the Senate will, as a Committee of the Whole, be the supreme judge in it. I think that is a matter for the five members to kindly suggest.

Senator Poage: The reason I ask that is because if it is going to be printed in the Journal there is no purpose in having it copied and paying so much a page for it.

Chairman Purl: Everything that is transcribed here is going into the Journal. If it is going into the Journal one way it will not be necessary to put it in the Journal through another route.

Senator Poage: The same thing. If this is going to be put into the Journal what is the use of having it transcribed; we would have all the benefits of it without having it copied another time.

Chairman Purl: It is not my understanding if it is marked as an exhibit it will be copied. I think it will get into the Journal anyhow.

Senator Poage: It will just cost ninety cents a page. If it is one hundred pages it will just cost ninety dollars to copy it.

Chairman Purl: Not if it is read off as an exhibit.

Senator Poage: That is what I am getting at. I want to know if it is going to be read off as an exhibit and copied.

Chairman Purl: The Chair is willing to hear from the Steering Committee as a whole. I have no suggestions one way or the other.

Senator Rawlings: Mr. Chairman, as one member of the Steering

Committee, I want to make this statement. At this time we do not care to have read the one hundred pages out of that report, whether it is printed or not printed. We would like to have Mr. Westbrook state in his own words something about his set-up, how it is being worked, how it is being handled, etc., rather than have the Secretary read one hundred pages from this formal report into our record. In the meantime, we will have had time to familiarize ourselves with the report of Mr. Westbrook and will be in a position to ask such questions as the Committee Members may wish to propound to him. I don't think it will serve any good purpose at this time to have this report read. I think later, before any action is taken to incur expense we will have some recommendation to make to the Committee of the Whole as to whether this report ought to be printed at length in the Journal or otherwise before any expense is incurred about it.

Chairman Purl: Do the other members of the committee concur in that statement?

Senator Woodward: Yes.

Chairman Purl: Unless there is objection, we will proceed as suggested by Senator Rawlings.

Colonel Westbrook: All right. Then I will attempt to summarize this thing as concisely as I can; really, the one hundred and twenty pages is a summarization of some fifteen hundred.

Senator Rawlings: As a help to us, Mr. Westbrook, wouldn't you first tell us what kind of a set-up do you have, tell us about your organization, how you are functioning, working—

Colonel Westbrook: That is what this report is, Senator.

Senator Rawlings: —in order that we may proceed. Mr. Westbrook, can't you put that over to the Senate without having to read those one hundred pages?

Colonel Westbrook: Yes, but you would have it a great deal more clearly if you had these one hundred pages; I am sure of it; but I will endeavor to do it. I want it understood that these one hundred pages is a summarization of some fifteen hundred pages.

Now, Mr. President of the Senate, and Members of the Committee, I

would like to make these preliminary remarks about this entire situation. I believe that the idea in having these hearings is excellent; I believe that this entire problem, as a result of the hearings that are conducted here and in the House will result in a much better understanding, and that on account of that fact you will be in a better position to draft the legislation that you came down here to draft to make these funds available to the destitute unemployed in Texas.

I would like to say in the beginning that I am before you today for the purpose of giving you information. I am not here to defend anyone, to defend any practice, nor to condemn anyone, nor to condemn any practice. It will be my effort here today to try and answer the questions that I know must be in your mind before you finally decide on the type of legislation that you are going to pass.

I would like to say that in my opinion the administration of relief funds here in Texas, I mean all of them since October, 1933 or 1932, when they were first received from the Federal Government and prior to that time, when the work was done entirely by private agencies, I would like to say that the administration of relief to the destitute unemployed in this State and in most other states had been, to some degree still is, very inefficiently carried out. I would like to say in the beginning that since I have been familiar with it I have known of some extremely culpable acts committed by people charged with the responsibility of distributing these funds. I have known that there have been many people on the relief rolls receiving Federal money in this State who were not according to the law and according to the rules and regulations entitled to receive relief. I know that some of the larger farmers in this State have imposed upon the government to the extent that they forced their tenants onto the relief rolls in order to carry them during the season when they were not working. I know in the distribution of these funds, in some instances, poll taxes have been paid and political control exercised over the recipients of this relief for the benefit of this or that individual or group. I know that some of these

funds were used to make improvements on private property. I know that in some instances outright fraud has been committed, forgeries, misapplication of funds. I am aware of all those things, not all of them either, but I am aware of instances. I know there are many instances of which I am not aware. I hope this investigation here brings out some new ones because it has been our purpose, and it is our purpose to run those things down, and to set up safeguards against them.

I want to make that statement because I want you to understand that I am not here, as I stated before in the beginning, for the purpose of defending any procedure or any individual, but merely to give you information.

While I know that those facts, that those conditions have existed, in some instances are existing now, I didn't mention anything like all of them, there are more ways to beat the government on this proposition than any way on earth; and before this session is over I hope that there will be some special criminal statutes devised so that these funds may be better protected than they are now. I know cases where store keepers, working on committees, where they got accounts paid and that sort of thing; I know of a number of things that occur; but with all that I do want to say that under the direction of the Federal Emergency Relief Administration, the staff of which is composed of men who have been engaged in this type of work for many years there is being set up throughout the United States, as quickly as it can be done, a system of accounting for administration funds which will reduce these evils to a minimum, in my opinion. I think it is quite important that this Legislature, as stated a minute ago, should enact some criminal statutes which will have a particular bearing on this thing and in addition to that there is being dug up now throughout the Federal Relief Administration a system of accounting in the administering of these funds which is gradually going through and eliminating the evils, if any, that now exist and have existed. I want to make that preliminary statement and give you a history of relief ac-

tivities in Texas in so far as I have had anything to do with them.

The first thing I want to discuss with you is the matter of administration procedure, administrative procedure, and administration expense. You or most of you are aware that under the previous administration these funds were distributed by the Governor through the three regional chambers of commerce, which in turn turned them over to emergency relief committees in the various counties and their respective chamber of commerce areas. That condition obtained when Governor Ferguson was inaugurated in January and was continued by Governor Ferguson until March. The reason for its discontinuation was the demand on the part of the Reconstruction Finance Corporation that that method of distributing Federal funds to the destitute unemployed of Texas be discontinued, and that a method involving the setting up of a central accounting system be inaugurated and providing a satisfactory administrative staff from which county administrative units might obtain skilled help and guidance. A further requirement was, as you know, at that time that the State take some definite method, some definite steps towards making available State funds. That word was sent to the Governor in a resolution passed by the Reconstruction Finance Corporation, and it was stated in that resolution that before the States received any more funds from the Reconstruction Finance Corporation a beginning had to be made towards setting up the new type of administration. I want to give you a history of the beginning of the present set-up. Upon receipt of that communication the Governor called in the members of the three regional chambers of commerce and discussed the matter with them and decided to increase—decided to form a State Relief Commission and increase it to six members instead of three. The managers of the three regional chambers of commerce were three members. Honorable T. A. Low, Brenham, was one; Honorable William Cameron, Waco, was another; Honorable Harry Tom King, Abilene, was another. That commission continued until about the first of June and during its existence the set-up

which was required by the Reconstruction Finance Corporation was initiated. You will recall that the National Congress, at the short session, passed a bill known as the Federal Emergency Relief Bill, which took the administration of relief funds out from under the Reconstruction Finance Corporation and put them under a Federal Relief Administrator. This bill made available the sum of five hundred million dollars to be distributed among the states in accordance with the rules and regulations to be set up by the Federal Emergency Administrator. As soon as the Federal Emergency Relief Administrator came into office and got his bearings, he decided upon an even more rigid type of administration than that which had been in March decided upon by the Reconstruction Finance Corporation.

Senator Stone: Mr. Chairman.

Chairman Purl: The Senator from Washington County.

Senator Stone: Mr. Westbrook stated just now he might possibly get his message over better if he would be permitted to read from the summary. I move at this time, in the course of his talk, if he gets to any part of his talk, when he wants to read any part of the record, that he should be allowed to read the parts he wants read.

Chairman Purl: Any objection to that procedure?

Senator Rawlings: We request that you take it up with the committee and if they want it read, then it can go into the record.

Colonel Westbrook: This is the Administrator procedure prescribed by the Federal Emergency Relief Administration as set out in state rules and regulations numbered from 1 to 7. I ask your permission to read this into the record.

Senator Woodward: Mr. Westbrook, if you will just refer to the book and page then it won't be necessary for these gentlemen to take it down; it will be available if we want it transcribed.

Mr. Chairman, I would like to know what those rules and regulations are.

Mr. Westbrook, I don't remember what you said, if you will identify the page for the stenographer it won't be necessary for them to wear out their arms taking it down, some-

thing that they can copy. That is all I want.

Chairman Purl: Does everybody understand that? (No response was interposed.)

Colonel Westbrook: Even at that, I am not going to read all of them because there is a whole lot of stuff in here that is not pertinent to this testimony, of course, though it will go into the record, ought to go into the record, I believe.

Senator Collie: Mr. Chairman.

Chairman Purl: The Senator from Eastland.

Senator Collie: Might it not be well for him—if the court reporters are not taking this down—just let him indicate on there where he stops.

Colonel Westbrook: All that I read here is in the record. It is in this report and can be copied by the reporter.

Senator Woodward: If you will mark it by "X" marks, it will be easier for the stenographers to get it from the page which you have read.

Colonel Westbrook: I would like to read to you what I consider to be a pertinent part of these rules and regulations and discuss them with you, first (reading):

"Rules and Regulations Covering Expenditures of Federal Emergency Relief Fund No. 1.

(a) Grants of Federal Emergency Relief Funds are to be administered by public agencies after August 1, 1933.

Just as all State commissions responsible for the distribution of Federal and State funds to local communities are public bodies, so in turn should those local units be public agencies responsible for the expenditure of public funds in the same manner as any other municipal or county department.

This policy obviously must be interpreted on a realistic basis in various parts of the United States. Hundreds of private agencies scattered throughout the land have freely and generously offered their services in the administration of public funds. It would be a serious handicap to relief work if the abilities and interests of these individuals were lost. But these individuals should be made public officials.

working under the control of public authority. Thousands of these workers are serving and will continue to serve without pay, but if paid, they should be compensated in the same manner as any other public servant.

It is not the intention of this regulation to instruct the several States to make hasty changes in agreements which the State Administration may have made with the private agencies. Adjustments, however, to this policy is to be made no later than August 1, 1933.

This ruling prohibits the turning over of Federal Emergency Relief funds to a private agency. The unemployed must apply to a public agency for relief, and this relief must be furnished direct to the applicant by a public agent.

(b) Grants made to the states from Federal funds under the Federal Emergency Relief Act of 1933 may be used for the payment of medical attendance and medical supplies for those families that are receiving relief.

(c) These funds may also be used to pay the cost of shelter for the needy unemployed.

(d) These funds may not be used for the payment of hospital bills or for the boarding out of children, either in institutions or in private homes, or for providing general institutional care. These necessary services to the destitute should be made available through State or local funds.

(e) The personnel employed on work relief projects by the State or their sub-divisions are not Federal Employees and must not be considered as such; therefore, premiums for accident insurance in connection with work relief programs may not be paid from Federal funds, but should be paid out of State or local moneys.

Yours very truly,

(Signed)

LAWRENCE WESTBROOK.

(Typed)

LAWRENCE WESTBROOK,

Director."

We received that Federal Emergency Relief Administration Rule No. 1 on June 23rd and we were given until August 1st to change our administration throughout the State of Texas so that we could

comply with it. Prior to that time various private agencies throughout the State had largely been used in the actual administration of these funds within the counties, that is the United Charities or the Red Cross or the Salvation Army or some local charitable organization. This rule was issued on June 23rd, requiring that by August 1st all of these private agencies should be done away with and that we set up within each county of the State a public agency to administer these Federal funds. Of course there were no exceptions to that rule; it was a rule we had to observe whether we wanted to or not. It is not my purpose to discuss whether it was desirable or not; it was something we had to comply with.

Relief was being actively extended in 230 of the 254 counties in this State. It became necessary to make a complete change of administration within the counties in 230 counties of the State by August 1st; in other words in about five weeks. We didn't do it but we did the best we could; we didn't do it because it couldn't be done. We barely have done it by now. I stated that to you, though, to indicate the very large amount of work involved in carrying out that one regulation of the Federal Government, which was that we set up in each county of the State by this time, and I have satisfactorily explained to them that I couldn't do it, a public agency to do this work which had hitherto been done by the Red Cross and United Charities and other private agencies. We had the facilities provided by the Legislature in H. B. No. 897 to do that with. That had been passed some few weeks previously, which as you remember provided for a county board of welfare and employment in each county.

So, using that bill as a guide, we proceeded to set up these public agencies in the various counties. They are nearly all set up complete. I think 225 are now complete in the counties. If you will refer in here to Exhibit A in my letter of transmittal, there is a short description of that county set up and a chart which shows what it is, indicating the place where these people are examined, investigations made, a clinic to find out whether they are

physically able to work, and a commissary or a provision made for the issuance of groceries and work relief direction or work direction, which cooperates with the municipal authorities to give them such State work as they may be permitted to do under the rules and regulations.

Now the Federal Emergency Relief Administrator's Rules and Regulations No. 2, which were issued on July 1st, required that Federal aid could not be obtained by anyone other than those employed full time in connection with the emergency unemployment relief and under the supervision of the unemployment relief authority. That meant some still further changes. Where we had had part time people, some of them working for the State and county part of the time and part of the time distributing these funds, we had to either take them away from the State or county or reemploy people on full time to do this work and this took some time.

Rules and Regulations No. 3 required that each local relief administration should have at least one trained and experienced investigator on its staff. That meant that in every county of Texas we had to have at least one trained investigator on the staff. We have not complied with that yet because there are not that many trained investigators available. The Federal Relief Administrator has been reasonable in that respect and has given time to train these people as well as his aid to get them. This has been an important factor in adding to our administrative expense and, too, in the matter of adding to the difficulties of carrying out the work, doing this job.

Section 2 of these Rules and Regulations No. 3 required that all records should be kept at a central office. The practice that had heretofore been followed of the separate committees making their own records was done away with and each county was required to keep separate records.

The 3rd Section required a thorough investigation of each relief application. That has not been complied with fully, as I am sure you understand. As it seems it has been impossible to carry that out but we have made an effort to carry it out and in many places it is 100% com-

plete. In other places it is only 20 or 50% complete. There is a table in this report which shows the degree which that instruction has been followed out in each county of Texas. Where they have carried it out 100% the results have been remarkable. In Travis County it has been carried out 100%. In this county where we had a relief roll of 4760 people approximately, after these instructions were complied with we reduced it to 780; almost four thousand families, twenty thousand people, taken off the relief rolls in this county.

All of this is in this report. The fifth section required that an employee of the county board contact each family with a visit to its home at least once a month. That, of course, required additional personnel in the various county units in order to carry that out. In Harris County there were approximately eleven thousand families of the relief roll and in order to carry out that requirement it was necessary to add a great many people to the administrative payroll in Texas. In addition to that a minimum number of cases per case worker. They are the people who make these investigations. They were required not to be overburdened in order to make careful investigations. That was another factor which increased the expense but decreased the amount of relief. In Travis County the additional administrative expense involved for that operation was \$500.00 for the month. The saving of funds was over \$40,000.00 for the month. There were 4,000 families who had been receiving an average of \$10.00 a month and those 4,000 families were eliminated through good case work in this county alone.

Another factor which did not require any particular addition to the staff was frequent and careful re-investigation. The Federal Government was not satisfied with checking once but required that they check back many times to see if the status of the family was the same as it had been in the past. Of course their status is constantly changing.

Now Federal Emergency Relief Administration Rules and Regulations No. 4 provided among other things that all relief work be paid at the rate of 30c an hour and that

they may work no more than forty hours a week. You have heard, I am sure, a great deal of complaint when that requirement was issued. Cotton farmers complained that they were unable to get cotton pickers. They would rather work two days on relief work than to go out in the cotton patch and pick cotton at 60c a hundred, and there was a great deal of justice in that complaint until we got the distribution of the thing tightened up and we handled it in this way: each one of these boards of welfare is likewise a board of employment and we were at that time in process of setting up in connection with the National Employment Service and employment agency within each of the counties. We combined the function of the employment and relief agency and when they wanted cotton pickers they came to the employment agency which was also the relief agency and placed a request for men and we offered them pickers by name from the relief roll. If they refused to go they were taken off our relief roll. On account of the fact that some directors did not understand it they did not put it into effect fully. There were instances where it did not work; in most cases it did work, as in this county and in my own county. The proportion is almost as great there as here. They even cut off relief for a couple of weeks; so any able bodied man that got any money from the Federal Government had to do something for it. It had a tremendous effect on the relief load that we were carrying. Later on I shall indicate that to you.

Federal Emergency Relief Administration Rules No. 5 issued July 31st, about six weeks ago, provided that State and local relief administrations should not employ anybody for more than forty hours a week except those in executive positions. That had the same effect on most of the relief administrators that the N. R. A. had on anybody's business. Naturally it increased our expenses for the time being. People that we had been working ten hours or longer, it was necessary that we work them only eight, so we had to change our administrative costs, increase them accordingly. At the same time it set a minimum weekly wage on every body we had on the

relief rolls, which also increased the expenses of our administration. I will say, however, we didn't get very far above the minimum. The average pay of the relief personnel throughout the State is \$74.26 a month and in many cases they have to furnish their own transportation.

The Federal Emergency Relief Administration Rules and Regulations No. 7 we have just received, received on September 15th. They provide for medical care to be given to unemployed families in their homes. The proper carrying out of these instructions will necessarily still further increase the administrative expenses. The position taken by the Federal Emergency Relief Administration is that many members of these families are in bad physical condition and that if they do not receive proper medical care they may and will in most cases later on become major charges upon the State and Government, so they have authorized that.

I hope I am not boring you by this recitation of these rules and regulations. I think it was important for me to give them to you to indicate the reasons why administrative expenses might appear to be high to you; also why we have employed people generally throughout the State whereas before these rules and regulations were issued we had been using volunteer help or private agencies.

I said in the beginning that I did not expect to make this report argumentative and I do not, but I do want to say that in the short time that we have had this system into effect we have greatly reduced the case load here in Texas inspite of the fact that we are constantly receiving new families that never were on the relief rolls before.

In discussing the administrative expense generally I want to say that up until now, up until the last month, we have never been able to get from the counties of this State financial reports which truly reflected how much they did spend. We had—just as an example and it is almost typical—we had a firm of certified public accountants report to us that the administrative expenses over a period of time from one county amounted to \$106.47. When we conducted an audit of the books of that county and went back

to the board's records we found that for that particular period the administrative expenses had actually been \$2600.00. Of course they weren't, even at that, they weren't so tremendously out of line with the work they had done but the point I want to make is in the different interpretation everybody had of the term "administrative expense" until we had developed a uniform system of accounting to show just how much administrative expenses really were. Beginning with June, I think we got fairly accurate reports, except where the administrative duties were performed by private agencies.

A great many people have an idea that when you turn funds over to a private agency, that means that you are turning them over directly to them for distribution to the destitute, and it is quite apparent that the people do not understand that such is not the case, because the administrative expense of the average private agency as charted throughout the United States is that the cost or expense of such agencies is approximately 27 per cent, which is a great many more times more than that of the regularly organized agencies. I do not say that in criticism of the private agencies, because they do a different type of work, but I do say it for the purpose of—of disabusing the minds of anybody of the feeling that some may have, who probably believe that when these funds are turned over to any private agency that little of it goes to the beneficiaries. I just wanted to make that clear.

As I said before, June, July and August, give a fairly correct idea of the administrative expense and the type of work performed in the State of Texas by the Texas Rehabilitation and Relief Commission. Our administrative expense for June was 5.29 per cent, that is for the entire State, including State headquarters.

Senator Woodward: Can you give us the amount in dollars and cents, Mr. Westbrook?

A. For June the administrative cost was 5.29 per cent or \$71,077.33; for July the administrative cost was 5.74 per cent, or \$82,598.41, and for August it was 9 per cent or \$138,876.33. I want to call your attention to the fact that the high cost during the month of August—that it was during this month that

we had to establish the duplicate set-up—that is we had the duplicate set-up in some of the counties during the month of August.

Q. Now, Mr. Westbrook, just to get into this matter, and in order that we may have the record complete, I will ask you in this connection to explain what is included in the administrative expense, or what it is that goes to make up the administrative expense—does that include all salaries paid both at State headquarters and in other places?

A. Yes, sir.

Q. And all overhead expense?

A. Yes, sir.

Q. In other words, do I understand you to state that that includes all overhead and other administrative expense?

A. Yes, sir, that is correct. Now, in order to get that clear, Mr. Westbrook, the administrative expense for June was \$71,077.33, for July it was \$82,598.41, and for August it was \$138,876.33—is that right?

A. Yes, sir, that is correct.

Q. Now, do I understand you to mean by that that those sums of money for the months shown, represent the amount of money that was expended for overhead and other administrative expense incident to the relief work in Texas?

A. That is correct.

Q. That includes the salaries paid to all of your assistants and other clerical help here and in the various counties of the State?

A. Yes, sir.

Q. And it also includes the county director or administrator and his assistants?

A. That is correct, yes, sir.

Q. All right, go ahead—

A. I would like also to say that the per cent, not the amount of overhead for August, is greater than it otherwise would have been, by reason of the fact that we were compelled to make the funds allocated for August stretch over both August and September. In other words, I had asked for plenty of money in August, and for that reason, not all of the money was spent in August, the per cent is therefore greater, a good deal higher than it ought to be, because I did not know whether we were going to get any money in September, and wanted to have plenty of money to take care of the

situation. The average for these three months is 6.68 per cent. I think—it is my opinion that we will be able to keep this administrative expense down to where the overhead and administrative cost will be around five and a half or six per cent. That is my opinion as to what it should be.

Q. The present set up, I believe you stated, commenced about what date?

A. Well the present set up, the organization meeting, Senator, of the Texas Rehabilitation and Relief Commission was on the 2nd day of June. We did not really get under way, did not get the committees appointed until three or four weeks later—somewhere about the first of July.

Q. Was it not about March 1st?

A. It was not March 1st it was about fifteen days later as I recall it.

Q. I was just wondering if you could, at this time, without confusing you, turn back and give us your administrative costs for the months of March, April and May—you have just given us June, July and August?

A. The administrative cost or expense as shown here for March was \$46,397.44, April \$120,858.68, and May \$101,957.84. Now, as I started to point out awhile ago, I think that the \$46,000 was incorrect, because during the month of April, there was practically no authorization made at that time, and the apparent discrepancies there are on account of incorrect or incomplete reports and records. In fact an audit is being made at this time but we will get to that as we go along.

Now, I think it is important and pertinent that the members of this Committee also be told something about the collateral activities which were carried out by the Commission and which will to some extent explain the large amount of expense—the overhead and administrative expense which I have just cited. First, we were charged with the enlistment of the Civilian Conservation Corps.

The Department of Labor, designated as the Texas Rehabilitation and Relief Commission as its agency in Texas to enroll 11,750 men in the Civilian Conservation Corps. We kept a record of the items that we

could charge direct to that and got along pretty well, but it cost a great deal of money to get into all these counties of the State and set up the organizations to enroll these men in accordance with the rules and regulations that were promulgated by the Department of Labor. I estimate that it would have taken about \$1.00 to put these men on the list, but it has cost us only about ten cents.

Second: We had the establishment of the Emergency Conservation Camps in Texas. You will recall that the Emergency Conservation Camps which are the camps throughout the country engaged in the work of reforestry and park improvements. And under House Bill 897, this commission was specifically charged with carrying out the provisions of the Emergency Conservation work in Texas. We have worked in cooperation with the Parks Board and with the Forestry Service and with the Extension Service of the Department of Agriculture, and prepared applications for and secured for the State of Texas 34 of these camps. We had to take care of the contact and coordinating work necessary to get these camps down here; we had to bear the expense of this because the Parks Board did not have the facilities to take care of it.

Then, the Public Works Program—the public works program of the National Industrial Recovery Act—they had not decided the machinery they were going to use to put this in effect. They thought they would use another Commission, another State Commission, and so advised us. They suggested that we supervise that particular piece of public work so that a proper survey could be made and as a result of that we have gotten the various political subdivisions of the State to properly organize, and as you will all recall it was desired to get this public works program into effect during the summer so that the work could be stated during the summer slump.

(Thereupon the Committee of the Whole took a recess for 5 minutes at 3:40.)

Chairman Purl: Gentlemen, the Committee will please come to order.—You may proceed, Mr. Westbrook:

Mr. Westbrook: There is another factor which should be taken into consideration as a matter of administrative expense. The Reconstruction Finance Corporation requested that an audit be furnished of the funds turned over to the prior administration. When I say that, I hope that nobody will interpret me to mean that any member of the Reconstruction Finance Corporation or myself mean to cast any insinuation or reflection on the kind of report having been made previously by that administration. They had not, as a matter of administration procedure audited the source records prior to the time as now done in the new set up which is now in effect. This was put into effect only after Governor Ferguson was inaugurated—I am not really certain whether it was before or after that time. But they decided that the source records should be audited. That means that those vouchers paid out during that time shall have supporting information—source records; in order to carry that out, we have been conducting, and are at this time in process of conducting an audit of the sources records of the disbursements made away back in the year 1932 and in the early months of Governor Ferguson's administration; we are doing that for the purpose of complying with the request of the Reconstruction Finance Corporation, and this carries no reflection whatever on the handling of these funds by the Governor of Texas or on the individuals charged with the administration of those funds and we have about forty people engaged in making that audit at this time. That adds to the administration expense that is now being paid for, but I believe that is from a fund left over from the Reconstruction Finance Corporation.

Another factor which enters into the cost of administration expense of our operation in this, is our activities in connection with the National Re-employment Service. In conjunction with the State Director of the National Re-employment Service, who is a representative of the United States Department of Labor in Texas, in that respect we have provided facilities for the registration and classification of all unem-

ployed persons in Texas whether on the relief rolls or not. It is part of the National Program that employers under the National Recovery Act will recruit their labor from this register. It is an essential feather of the National Industrial Recovery program that these agencies be set up and we have so far signed up and set up about seventy agencies or organizations in the counties of Texas in the smaller counties and in connection with the relief officers in the larger counties. That is costing us about five thousand dollars per month and it is included in the overhead expense that I have quoted you heretofore. We will have that money re-imbursed to us when we make claim for it. We also, as you know, many of you know, operate food commissaries in the larger cities of the State. All of the operating expense including in the commissaries was charged to our department, including salaries of commissary personnel, operating expense, being charged to the cost of food and clothing dispensed. The records of all of the commissaries show that the cost of food is less and therefore the cost of relief to the family is smaller.

Now another one of our collateral activities is involved in the canning program. We put on a State-wide canning program. This organization which we supervised was also under the supervision of the Home Economics Division of the Texas Agricultural and Mechanical College. This program which was put on in the different communities of the State, and where there were community gardens the vegetables raised there were canned. We had this canning program going in over 100 counties in Texas. Under the supervision of people selected by the Home Economics Division of the Texas Agricultural and Mechanical College. We have just gotten a report on that and it shows that there have been produced and put up for use this winter \$65,000 worth of canned products which have been turned over to the local commissaries and relief agencies and will be distributed this winter, at a cost of approximately \$47,000; we might say that that \$65,000 was the result of the canning program inaugurated

and about all that we did was to furnish the money and set up the working agencies in connection with the Home Economics Division of the A. and M. College, and it has given quite a lot of people work to do.

Here attached to this Section "2" of the report, and marked Exhibit "N" we give a list of all the administration employees as given by counties, and also a list of the personnel in the State Administration—we furnish the name, title, or the duty to which they are assigned, and the monthly salary; we have as I recall it 1427 employees engaged in this work, including the State headquarters. The average pay is \$76.95 per individual. We might say too, that the salaries that are paid these county administrators in the rural communities in nearly all cases is less than \$100.00 per month, and they are also required to furnish their car so we are getting these people on a very reasonable basis.

Senator Woodward: Mr. Westbrook, that total number of employees includes all paid employees of the State.

A. Yes, sir.

Q. For all work?

A. All counties in the State.

Q. And the number was what?

A. 1427. We also attach as Exhibit "P" to this section of the report a list which shows all the people on the administrative pay roll who work in counties other than that of their own residences; that includes those who are in state headquarters, practically all of those come from somewhere else, also there are only a few people who come from counties other than those counties in which they were employed; we can discuss that later on.

Q. Mr. Westbrook, you did not give us the figures of those who are employed—

A. Beg pardon?

Q. —who live in other counties that you—

A. No, I didn't.

Chairman Purl: Senator Woodward, the Chair can't even hear you and I am sure they can't hear you back there in the rear.

Senator Woodward: All right.

A. Senator Woodward asked me to give him the number of those living in other counties than those in which they were employed. I

haven't got them counted one by one, Senator, but practically all in the State headquarters, they do not live in Travis County, only two or three of them. I have got it here. We have a record here of twenty-three employees working in counties other than those in which they have a legal residence, it may be that there are some others but up until now we have never had the names of those people, Senator; we don't know where they live. It would take some time to get a list from the counties.

Q. This number, twenty-three, does not include those in State headquarters?

A. No, that doesn't include those at all.

Now, Mr. President, and Members of the Committee, this report, as I stated in the beginning, is in five sections, that is Section II. I wonder if it is not proper to submit questions at the conclusion of each section.

Chairman Purl: I think it would be a splendid idea to take it section by section. I think it is a good suggestion.

Colonel Westbrook: That completes Section II of the report; Section I was the letter of transmittal.

Chairman Purl: Before we start to interrogating Colonel Westbrook, I am going to ask those who have questions to ask that they wait until they are recognized so I may tell some of the reporters who are not acquainted with the members just who is asking the question.

Colonel Westbrook: I am ready.

Chairman Purl: Senator Rawlings?

Senator Rawlings: I have no desire to ask any questions myself just now.

Senator Woodward: There are just a few questions, Mr. Westbrook, which I want to ask you, which are material as far as I am concerned to fully understand some of the explanations that have been made.

Mr. Westbrook, you have filed a report showing the number of employees in each county?

A. Yes, sir.

Q. Now, take, for instance, Coleman County, that being my home county, I notice you have on the list, I will get it in just a minute, I notice you have a list on page 238 showing the names of two employ-

ees. Now, what authority has the administrator in that county or any other counties in Texas to add to that list?

A. The Welfare Employment, as an organization, has a self contained unit. If Mr. Lockhart, who is administrator out there, desired to add someone to his staff or if it is an emergency, he would go ahead and do it on his own right away, and then he would get the approval of our field representative as quickly as possible. If it was in furtherance of some policy, if he would say "I just can't do this work down here," he would have to get the approval of the field man and the Board of Welfare Employment in Coleman County.

Q. He then would have the power to add to the number of employees under him in that county?

A. He would have as an emergency proposition without reference to this office here, but, of course, if he stayed on there for any length of time, why, we would have to approve it.

Q. The reason I was asking that question was this. You have listed the administrative expenses for August. Don't you think it is possible that there are a number of employees in various counties who are receiving pay who are not listed in this report, that you probably don't know anything about it?

A. Senator, I will tell you how this information was gotten. It happened that just before the Senate convened that we had sent out a letter requiring all those administrators to send us in a list of employees in order that we might cover them with a blanket bond; we had just been covering the administrators and county chairman. We found that we could get a very cheap bond that would cover the whole staff. That is how we got that information; we instructed them to send us this list. We got a report every month which covered the administering expense, how much they used to spend for salaries, etc. Mr. Donnell, that is correct, is it not?

Mr. Donnell: That is correct.

A. So it couldn't be done very long without us finding out about it.

Q. Well, I mentioned that because I feel sure that in so far as

Coleman County is concerned, I am merely using that as an illustration without making any complaint about it, that there are considerably more than two employees and a great deal more expense than one hundred and forty-five dollars which is listed here, it being now approximately five hundred dollars. That is the report I am getting.

A. Yes, we are getting false reports from some counties; we are getting false reports from that county if that is true.

Q. Now, Mr. Westbrook, this administrative expense that you are testifying about, is that paid from the Federal fund?

A. Yes, sir, practically all of it. Just a moment. Let me have that narrative part of that auditor's report. Fifty thousand dollars a year was appropriated when H. B. No. 897 was passed, that was \$4,833.33 a month. The State funds, we have not used all our State funds we have had available for the State administrative headquarters. We have had available each month fifteen thousand dollars Federal funds and forty-eight hundred thirty-three dollars and thirty-three cents of State funds; that totals nineteen thousand eight hundred thirty-three dollars thirty-three cents. Our maximum expenditure has been fifteen thousand nine hundred thirty-eight dollars eighty-three cents. We have never spent anything like the total amounts that we had allocated to us for administrative expense in the State set up.

Q. Well, are any of the salaries of the Austin office, we will say, paid out of State funds?

A. Yes, I have a schedule here showing that.

Q. Would you read that schedule, please?

A. That is in the auditor's report. I can get it for you.

Q. Give the names and amounts as you read it, please.

A. The auditor says it is in this section here page 469.

Q. I wish you would identify the page from which you read, please.

A. Yes, I will. Here it is on page 467. Shall I read the names and amounts?

Q. I wish you would read the names and amounts.

A. This is from the State fund.

"STATE ADMINISTRATION OFFICE, AUSTIN, TEXAS.

Names of Employees.	Title or Duty.	Salary Per Month.
From State Funds:		
Lawrence Westbrook	Director	\$333.33
(Also see Federal Funds below)		
Jack F. Reed	Assistant Director	250.00
George R. Donnell	Auditor	225.00
E. A. Baugh	Project Engineer, Work Relief	200.00
Lowe Simons	Assistant to Field Supervisor	166.67
Buster Brown	Bookkeeper	125.00
Edith E. Haller	Stenographer	110.00
Meteor N. Frnka	Secretary to Assistant Director	125.00
Sidon Harris	Assistant to Project Engineer	150.00"

Those are salaries from State funds.

Q. Now, then, have you a list of employees together with the salaries being paid out of Federal funds?

A. Yes, sir.

Q. Will you give us those, please?

A. Yes, sir.

Q. What is the total from the State funds?

A. I haven't added it up here; it totals, the whole thing is totaled together, but I can total it in a minute.

Q. Well, you can give that directly. Now, give us a list of the employees who are receiving salaries out of the Federal funds.

A. This is page 467.

"Name of Employees	Title or Duty.	Salary Per Month.
From Federal Funds:		
Lawrence Westbrook	Director	\$166.67
(Also see State Funds above)		
Roy Lee Taylor	Clerk	125.00
Winfrey Alford	Stenographer	110.00
J. J. Boley	Field Representative	150.00
Jack Boyett	Mail Clerk	90.00
Maybelle Brandon	File Clerk	100.00
Chas. B. Braun	Field Supervisor	225.00
F. H. Bushick, Jr.	Field Representative	175.00
J. C. Capt	Field Representative	150.00
Duke Carver	Do.	150.00
W. C. Carnahan	Do.	150.00
R. C. Craft	Do.	150.00
Carl Curington	Mail Clerk	60.00
Mrs. Ida Darden	Investigator	200.00
H. L. Davis	Field Representative	175.00
Marie Dresden	Social Welfare Consultant	300.00
A. W. Elrod	Field Representative	150.00
Lee Francis	Do.	150.00
Joe Fultz	Half-time Telephone Operator	35.00
Mary Nan Gamble	Chief Clerk	150.00
F. M. Grazier	Field Representative	150.00
Mrs. W. W. Heath	Reception and Information	150.00
J. A. Humphries	Field Representative	150.00
D. L. Hunter, Jr.	Clerk	50.00
Jas. J. Hutchinson	Field Representative	150.00
Ogden J. Lamont	Do.	62.50
Mrs. Allie Ray Lee	File Clerk	110.00
H. B. London	Field Representative	150.00
Truman Oakley	Stenographer	110.00
Jessie Ramey	Do.	110.00
C. P. Rogers	Field Representative	150.00
Mrs. Marjorie Sheffield	Secretary to Director	150.00
Miss Jenneise Smith	Stenographer	110.00
E. H. Strelch	File Clerk	75.00

'Name of Employees	Title or Duty.	Salary Per Month.
From Federal Funds:		
Miss Marion Swor	Clerk	110.00
Marshall B. Thompson	State Transient Director	150.00
H. Bascom Thomas	Field Representative	150.00
A. W. Von Struve	Rehabilitation Research	175.00
Horace Walker	Purchasing Clerk	50.00
J. L. Walker	Office Boy	45.00
Gus Wilks	Janitor	15.00
F. B. Martinez	Do.	15.00
John B. Callam	Field Representative	150.00
J. A. Alisky	Accountant	150.00
Omar Barker	Audit Clerk	75.00
J. W. Blair	Accountant	125.00
Mrs. Muriel Byrnes	Audit File Clerk	60.00
Hulen R. Carroll, Jr.	Audit Clerk	80.00
Mrs. Norine Crosby	Stenographer	90.00
A. B. Cross	Accountant	100.00
Mrs. Agnes Crumbley	Audit Clerk	75.00
O. D. Emerson, Jr.	Do.	90.00
Kenneth Fowler	Accountant	100.00
P. A. Gorman	Do.	125.00
J. O. Gragg	Statistician	125.00
D. O. Harper	Accountant	110.00
Wayne Hart	Do.	100.00
H. W. Haynie	Do.	150.00
P. M. Helms	Do.	110.00
T. E. Hubby	Audit Clerk	100.00
M. R. Kelly	Accountant	125.00
Ike Kibbe	Do.	100.00
A. M. Lee	Do.	100.00
T. W. Lewis	Do.	125.00
E. R. Lordan	Do.	125.00
W. D. Montgomery	Do.	125.00
E. E. Morgan	Do.	125.00
R. S. O'Brien	Do.	150.00
W. C. Orr, Jr.	Audit Clerk	80.00
D. L. Patterson	Accountant	125.00
G. F. Peck	Do.	125.00
Chas. Pena	Do.	100.00
W. M. Powell	Do.	125.00
J. M. Ralston	Do.	150.00
O. P. Ramsey	Audit Clerk	100.00
H. C. Russey	Accountant	150.00
C. J. Skaloud	Accountant	125.00
Mrs. Vera Smith	Stenographer	110.00
F. A. Snakard	Accountant	125.00
Sidney Sparks	Shipping Clerk	50.00
Miss Ella Mae Sturdivant	Stenographer	90.00
F. J. Sublette	Accountant	125.00
F. B. Triplett	Do.	100.00
C. L. West	Do.	150.00
W. B. Willie	Do.	150.00
D. M. Witt	Shipping Clerk	65.00
Ovid F. Rasor	Stenographer	110.00
Billie Davis	Clerk	60.00
Fla Denison	Bookkeeper	125.00
J. G. Patterson	Audit Clerk	90.00
F. A. Kling	Accountant	150.00
Kurt Von Boeckman	Do.	70.00
R. J. Landers	Do.	150.00"

Total, including state, twelve thousand seven hundred twenty-four dollars seventeen cents.

Q. Twelve thousand and what?

A. Twelve thousand seven hundred twenty-four dollars seventeen cents. I am separating the State for you.

Q. An the Federal?

A. The State part is one thousand six hundred and eighty-five dollars per month, which is included in the total of twelve thousand.

Q. And the total is?

A. Twelve thousand seven hundred twenty-four dollars seventeen cents.

Q. Mr. Westbrook, do you know whether or not any of those employees are related to any members of the commission?

A. I don't think so, Senator; not that I know of. Oh, yes, yes, there is, too; there is a man named Francis, Mr. Francis, I believe, is a son-in-law of Mr. Hussion who is a member of the commission.

Q. Do you know Mr. Boley, whether or not he is related—

A. Yes, that is right. He is a brother-in-law of King.

Q. He is a brother-in-law of Mr. King?

A. Mr. King.

Q. Mr. Harry Tom King. Do you know whether or not any of those employees are related to the heads of any departments?

A. Yes, sir, Mrs. Heath is the wife of the Secretary of State.

Q. Are there any others?

A. I don't know. I don't think there are any others. There may be, Senator, but I don't know of them.

Q. None of those are being paid out of State funds, however, are they?

A. No, sir.

Q. The statute prevents that, I believe, the last statute?

A. Yes, sir, we understood that. That is why the chairman did not have it in mind particularly.

Q. Those then who were on the pay roll, being paid out of State funds, were transferred to the pay roll—I mean transferred and paid out of Federal funds?

A. No. I think they were always paid out of the Federal fund, Senator, even before.

Q. I mean, if they were.

A. Yes, if they were, but I think they were always paid out of the Federal fund.

Senator Woodward: I don't care to ask any more questions now; later I will have some questions to ask.

Chairman Purl: Any further questions by members of the committee, those who have the testimony in charge? Senator Rawlings?

Senator Rawlings: We want to reserve the right to ask some questions when we have had an opportunity to study the report.

Senator Collie: I want to ask one question.

Chairman Purl: Senator Collie.

Senator Collie: I just want to ask Mr. Westbrook do you have in this report a list of those in each county in Texas?

A. No, I haven't got it in here; I have it here; I anticipated that you might want it, it wasn't asked for, I brought it along with me.

Q. What is the title of the man in each county, is it "director"?

A. No. He is administrator, county administrator.

Q. You have that then with you?

A. No, I don't believe I have those administrators with me. I have got them in here and their addresses in here.

Chairman Purl: Are there any further questions that any member of the Senate desires to ask? (No response interposed.) Do you want to open it up to the House members at the present time? What is your pleasure?

Senator Pace: Mr. Chairman, I move that any member of the House who is present here be permitted to ask questions.

Chairman Purl: Is there any member of the House present who would like to ask some questions?

Representative Parkhouse: Mr. President, I would like to ask a question.

Chairman Purl: Representative Parkhouse.

Representative Parkhouse: I notice you have a social service worker drawing \$300.00 a month; is that right?

A. Yes, sir, Miss Marie Dresden. She is a specialist in social service work, has had training for many years in doing this work and is recognized as one of the authorities in the United States. I am proud to have Miss Dresden down here in Texas.

Senator Sanderford: Colonel Westbrook, after observing her work in these social service duties of hers and in various work do you think that \$300.00 is excessive pay for her?

A. No, sir, I do not.

Chairman Purl: Was she sent by the government here?

A. She was recommended to me. I asked them for someone who knew this job, this work.

Q. There is one thing I want to clear up for the benefit of all concerned as well as to show what the facts may be. Complaint has come to me that there were a considerable number of people imported into Texas to work here. Please tell us whether or not that is true and if so how much of it has happened?

A. No, that is not true and, frankly, we haven't had in Texas—we haven't had this work—we haven't had the type of training down here in Texas that gives us the personnel for certain key positions. I think it would have been better if we had gone into other sections of the United States. Understand, I want to employ home people as well as anyone. We don't have more than four or five from out of the State. As an observation, I think we would be better off if we had more.

Q. Was anyone used, any particular individual whose name you have read us, in this \$20,000,000.00 bond issue campaign, employed in what you would call propaganda, constructive or otherwise?

A. I don't know whether you would call it propaganda or not. We took this position in the \$20,000,000.00 bond issue campaign; perhaps it was too broad, if so I take the criticism myself; I thought it was essential for this thing to be passed. I perhaps exceeded my own authority in permitting it. I didn't work at it or make any speeches but for me to tell you gentlemen, who are practical politicians, that I didn't do what I could to get this bond issue passed would be an absurdity. I did everything I could and pulled every wire I knew and I instructed our force to furnish the steering committee, of which William Strauss was chairman, with anything they desired, to do everything possible for them.

Q. Was any gasoline furnished the speakers?

A. No, they spent their own automobile money. I found one county that spent \$63.00 and we are going to get it back.

Q. Anyone on the payroll go out campaigning for it?

A. Not on the State payroll, in the county I don't know.

Q. I notice in your report many married ladies, at any rate with Mrs. before their names. Did you make any inquiries whether or not their husbands held jobs in the State—I don't mean in the State government, but whether or not there were people employed who had husbands making a fairly good living?

A. The fact that a person didn't have a job was a second consideration. The first was whether they could do it, the second was whether they had a job. I don't think we have many. I don't know of more than one or two married women whose husbands have jobs.

Q. Senator Woodward asked the relations of the employees to their employees of the State government. I wanted to ask whether or not any of the persons read off severally have—are persons who receive no remuneration?

A. I can't answer for the county boards of welfare because our method of selection of employees within a county is this; so far as the administrator, he is the chief officer so far as we are concerned. He is selected by our field representative and passes on each man's qualifications. We hold our field representative responsible for that individual. Some of them have a big responsibility to carry too; but this office approves him later on if they do meet the requirements that we set up which include an examination and so on. We haven't approved any of them yet; they are all temporarily employed. Now the county representatives select their own staff with the assistance of the county administrator. We don't know who they are. The set up is approved by the county board of welfare and employment. We do not approve or disapprove of individuals under the county administrator. We approve or disapprove of the results he gets in the county and do not go behind

him in the selection of his employees except in some of the larger cities where we think some specialist is needed or the work is not being done.

Senator Woodward: The county board is required to be approved by the commissioners court?

A. Yes, sir.

Q. Do you know of an instance in this State where the commissioners court has disapproved of the selection of the county board and nevertheless the county board was retained over the protest of the commissioners court?

A. No. I know this has happened, Senator; I know there are a few cases in the State where the commissioners courts would not approve the boards nominated by the State commission. Our policy generally in that respect has been to continue the old committee in effect until we could get the thing ironed out between the commissioners court and the State commission. In some instances the commission has ordered that that not be done and stated they did not want the old committee to continue to serve and stated they had good reasons.

Q. What do you mean by the "old committee?"

A. The committee appointed under the previous regime. We are just now replacing, in process still of replacing the old committees which were appointed under the previous administration. I think the average date of replacement was August 15th in this State. It is a slow process and takes a lot of time.

Q. Are there instances where, notwithstanding the protest of the commissioners court, the new appointments were nevertheless recognized by you as director or not; that is the question?

A. No. This happened; we couldn't get the commission and the commissioners court to agree. In one case—I know what you are talking about—the commission was not willing for the old committee to serve, there were very severe complaints filed against it. They approached the Governor and asked the Governor to ask that committee to resign. The committee which was serving held by reason of appointment of the Governor and the Governor appointed a new relief com-

mittee having the same legal status as the old committee. There is no county board of welfare and employment in the county in question and until we can get them to agree we are going to have to use the committee appointed by the Governor, which she has a right to do under the act.

Q. Are there any instances where the commissioners court has refused to confirm the appointment of this commission so far as local committees are concerned and notwithstanding this protest the appointments have been carried out and they are working over the protest of the commissioners courts?

A. No, not as a county board of welfare and employment, emergency relief committees, not local committees.

Q. They perform the same services under a different name, do they not?

A. That is right. We still have some of the old committees serving. They have the same status as the old committees.

Q. How many of those instances are there?

A. Not over three or four that I can recall. There were a good many but we are gradually getting them worked out.

Senator DeBerry: Who tells the work for which this money must be spent? Who is the final authority?

A. The Federal Relief Administration in Washington.

Q. How do they specify it?

A. By rules and regulations.

Q. Are the rules you have now—take lateral road work in a county, could money be spent on that?

A. Money could be spent on a lateral road if we had the men there who were getting employment relief and if it was a road that would not be built in the ordinary course of the road work in that county, the idea being they didn't want to use this money and cannot use it if any project would be built anyhow, but if the project would not be built in five or six years we could use the labor to do that work and have done a lot of that.

Q. Who passes on that and how do you tell whether it would be done or not?

A. We take the word of the commissioners court in that county and

the commissioners court and the county board of welfare advise us about it and if they say that road is not a part of the regular program of the year or the near future we say, "Go ahead and use the labor on that road."

Q. Are you confined in a rural county to roads that would not be built otherwise? What is the chief kind of work you look forward to doing in a rural county?

A. Well, I think road building. I treat that very extensively—if you will permit me to say so the whole thing is included in another part of this report. If you will permit me to answer that at that time I will do so; it will be more coherent.

Senator Moore: I would like to ask Mr. Westbrook how the number of employees compared with the number he had on the roll during the month of August.

A. I don't know how many employees—you mean State, over the entire State or our force?

Q. The whole set up, county, State and all.

A. I can't give you the exact figures, because I don't know.

Q. Well, more or less?

A. I expect there is a few less. We have been getting rid of some employees and making some of these counties cut down their overhead expenses.

Q. Since the bond issue was carried?

A. Not many.

Q. Since the bond issue was carried you have got less?

A. Yes, a few less.

Q. How much State money was used in propaganda to put over the bond issue?

A. I don't think there was any, strictly speaking.

Q. You don't think any county organization used any money except the \$63.00 you spoke of?

A. That is the only one I know about and I don't think they used any funds.

Senator Rawlings: Is this report as to the number of employees and salaries based on the month of August?

A. I believe not, that is as of this date.

Q. Well, you have a list of employees for the State organization and each county?

A. Yes.

Q. And you give their names, addresses and salaries, monthly salaries?

A. Yes, sir.

Q. Is that the monthly salary for August?

A. That is the monthly salary, yes.

Q. You show a total of a hundred and nine thousand dollars and some odd cents for employees as for the month of August, is that correct?

A. That is all the administrative expense items.

Q. Your report—I don't have it before me or the page number—but it shows a total before giving the detailed information, which shows these items and then undertakes to detail that particular item.

A. I will look at it.

Q. To refresh your memory didn't you testify a while ago that the administrative expense was some \$130,000.00?

A. Yes, sir.

Q. Your salary expense shows to be \$109,000.00 for August, is that correct?

A. I am looking it up. On page 185, Senator, it seems that the total there is \$97,078.00 and then the \$12,000.00 State would make it about a hundred and nine, yes.

Q. Both State and—

A. (Interrupting) State and county and State and Federal funds.

Q. The first item, \$97,000.00, that represents Federal funds?

A. Yes, sir.

Q. And the \$12,000.00 represents State funds?

A. No, the State funds were \$1685.00.

Q. What is the report you have got there on page 179? You have a total of \$97,078.41 and then a total for State administration, \$12,724.17?

A. Yes.

Q. Does that include anything except salaries?

A. No, that is only personal services.

Q. Making a total of \$109,000.00, that is for salaries?

A. That is right.

Q. What per cent of the \$109,000.00 was paid out of Federal funds and what per cent was paid out of State funds?

A. All of it was paid out of Federal funds except \$1685.00.

Q. A while ago you testified that \$130,000.00 in round figures was the cost of administration in August. Generally speaking what are the other principal items, the difference between the \$130,000.00 and the \$109,000.00 listed here?

A. Traveling expenses would be a very heavy one, telephone and telegraph; probably the heaviest, however, would be forms.

Q. You have miscellaneous expenses not shown in this item?

A. Yes.

Q. Are they otherwise shown in this report?

A. Shown in the auditor's report.

Q. The report filed with this committee?

A. Yes, sir.

Q. How many families or persons did you administer relief to in Tarrant County in August?

A. That is something that wasn't asked for in the report. I am getting it; I thought it would be asked and I am having it made up.

Q. Just round figures; I don't care for detail.

A. Here it is, Senator. You had 7,000 families aggregating 35,592 people and 7,018 transient persons in Tarrant County during that month.

Q. How many did you give relief to?

A. To that many.

Q. Around 35,000 people?

A. About 35,000 members of families and 7,000 transient, forty to forty-three thousand.

Q. What was the total amount of money you expended in Tarrant County?

A. \$78,540.91.

Q. Both of those items, the number of people and the money spent is based on the month of August?

A. That is August, yes.

Q. How many families did you administer relief to in Bexar County in the same period?

A. 12,554 families aggregating 53,000 people plus 9,824 transient persons, that is roughly speaking 63,000 people in Bexar County.

Q. How much money did you spend?

A. \$142,073.54.

Q. Now in Tarrant County you administered relief to 42,000 people in round numbers and in Bexar County 63,000 in round numbers, about a third more. In Tarrant County you paid out \$1300.00 for salaries and in Bexar County over \$18,000.00 to administer relief to a third more people; explain the difference.

A. In Tarrant County the administrative expense is paid by the City of Fort Worth?

Q. How much of it?

A. Practically all of it.

Q. The report shows only one man in Tarrant County furnished free, Mr. Flickwir, the administrator. His salary was paid by the City of Fort Worth and the other salaries are shown to have been paid by your set up.

A. The entire administrative expense has been borne by the City of Fort Worth. I don't recall that we had to pay any administrative expense over there at all.

Q. I am asking you about your report; the salaries paid to employees in Tarrant County totaled \$1300.00 for the month of August according to your report, and the salaries paid in Bexar County totaled more than \$18,000.00 during the month of August. I want to know the reason for the difference when you only spent a third more.

A. The salaries and everything else incident to administrative expense in Tarrant County were paid by the City of Fort Worth whereas in Bexar County it was all paid from Federal funds. The \$1300.00 that you have reference to there, the \$1300.00 that you have reference to in Tarrant County, I think largely has to do with the re-employment force and not to the relief.

Q. That is on page 432—Tarrant County—you have some twelve or fifteen employees?

A. Yes, sir, we have a few case workers on there. This has had quite a lot to do with the administration expense there. I do not know just what these case workers are.

Q. On page 432 you find Tarrant County, you have how many employees there—employees altogether in that county?

A. Eighteen.

Q. Eighteen, and Dr. Flickwir is

paid by the city and he is not on your pay roll?

A. That is right.

Q. Now out of that eighteen I believe you have how many case workers—8 case workers?

A. Yes, sir.

Q. Those are the employees there to see after this work?

A. Yes, sir.

Q. Do you have any employee there in Tarrant County who is not listed here?

A. No, sir. There may be other employees working there but they are paid by the City of Fort Worth.

Q. Do you have a record of them?

A. No, sir, we do not pay them and we are not concerned with them.

Q. Is there any record of those employees—do you have any record of those employees where you could get it?

A. I presume that the City of Fort Worth has a record of them and that it could be obtained from there?

Q. Do you require any reports from the City of Fort Worth pertaining to the employees they have there?

A. Yes, sir.

Q. Do you have any report from the City of Fort Worth?

A. No, sir.

Q. Do you know whether there are others working there or not?

A. Yes, sir.

Q. How many?

A. I do not know.

Q. Can you give us some idea?

A. No, sir, I am sorry Senator, I can not give you anything that would be valuable to you as to the number of people. The types of administration in these various cities varies. In some places it is down to a very few people. I do not think that this thing has been systematized to the point where you can take so many people or so much money and give a county a certain amount of relief.

Q. You do not know the number or the names of persons in Tarrant County who you say assist in this administration work, if they are not listed here?

A. No, sir, I do not.

Q. Do you know whether it is some welfare agency or regular community organization?

A. The welfare agency with Dr. Flickwir in charge?

Q. Do you know what agency is used?

A. We have used the City of Fort Worth—its welfare department—they have a Welfare Board for the City of Fort Worth.

Q. Are there any restrictions in your orders as to what agency Dr. Flickwir might use in Tarrant County?

A. No specifications as to the agency; where they use the employees of the City of Fort Worth, they must be engaged in this work exclusively, they must be responsible exclusively to the Tarrant County Welfare Board of Re-Employment.

Q. Are those or similar agencies available in other sections or cities than Fort Worth?

A. I believe the City of Fort Worth is the only place that has developed the welfare organization to that extent.

Q. Do you mean to say that the City of San Antonio, that Houston and Dallas do not have similar organizations that could be utilized and furnished to you without expense?

A. No, sir, they do not.

Q. You pay the cost of administering those other counties?

A. Yes, sir.

Q. You get no volunteer assistance whatsoever?

A. Well in Dallas, we have a working arrangement with the City of Dallas that is too complicated for me to tell you what it is.

Q. Is there any other City in Texas that has furnished you an agency without cost like you say you have in the City of Fort Worth?

A. I do not believe we have. I can not recall any. In Amarillo they raised some funds locally to help take care of the administration expense.

Q. How many people have you got on your pay roll in Bexar County in the administration of this relief fund?

A. About 250—a terrible number.

Q. I do not want to unnecessarily prolong this interrogation, but I would like to get some idea as to the duty of the numerous employees on your pay roll in Bexar County—what do they do?

A. Well, I will have to ask—you will have to call the administrator of Bexar County over here to tell you. I do not think that I know about it.

Chairman Purl: Who is the administrator over there?

A. Tex Alsbury.

Q. Mr. Westbrook, to what extent is the set up subject to the approval of the State administrator?

A. It is all subject to the approval of the State administrator.

Q. Is that also subject to the approval of the National Administrator?

A. Yes, sir.

Q. Do you mean to tell me that the national administrator can tell you what agency they use in Dallas or Fort Worth or San Antonio?

A. Yes, sir.

Q. They have delegated to you the authority to select them in Tarrant County?

A. Yes, sir.

Q. Have you selected them?

A. We are at this time using the agency which I have just indicated.

Q. I am not talking about what you are using. I am talking about the authority which you have—the authority delegated to you to use any particular agency in any locality—you stated, did you not, that you must have the approval of the national—the Federal administrator to use these local agencies—what authority do you have to have to use the agency which you are now using in Tarrant County?

A. They have the approval of the Federal administrator—they have approved the use of the agency which we are now using in Tarrant County—the board of welfare and unemployment.

Q. Who compose that board?

A. Mrs. John A. Spinks, Grapevine, A. B. Curtis, Mrs. Sam Vaughn, George P. Lilliard and Jake Greines—

Q. Those were appointed by you?

A. Appointed by Emergency Relief Commission.

Q. That is part of your commission?

A. They were appointed by the commission and not the director.

Q. What I am trying to find out is is there any other agency in Tarrant County administering this work

or any other parties on the payrolls there except that are placed there through this commission?

A. No, sir.

Q. Why?

A. Because that is the organization that is set up in the State to handle that work.

Q. Where does that authority come from?

A. That comes from House Bill 897, and through the provisions of that I am directed to set up a director in each of the counties of the State—that an organization be set up.

Q. What I am trying to find out is this—what officer of the United States government has said to you that you can not employ anybody except this welfare board in Tarrant County?

A. I did not say that any officer of the United States government did that. I said that the Federal government delegated to us the authority to set up these boards and we had used this particular welfare organization as provided for in the law.

Q. Now, I want to ask you this question—Is there any inhibition or instruction in the orders you have received against using some other agency other than this particular agency which you have indicated?

A. The rules and regulations say that it must be some public agency.

Q. Do you construe the rules and regulations to prohibit the commissioners court from performing this work.

A. No, sir.

Q. Do you think the commissioners courts of Texas would be able to administer this relief work?

A. I do not think so.

Q. Why?

A. I think because they are elected officials that they would not make a success of this work—they would be influenced too much by politics.

Q. Do you know of any inhibition in the rules and regulations that would prohibit the use of the commissioners courts of the various counties performing this service?

A. I do not.

Q. What particular official or national officer of the Federal government do you contact?

A. I have my direct contact with

Mr. Williams; however, I deal direct with Mr. Hopkins.

Q. What states does he cover?

A. He has Arkansas, Louisiana, Alabama, Mississippi, and Oklahoma.

Q. You make contact with Mr. Williams?

A. We do our business direct with Mr. Hopkins and Mr. Williams, but Mr. Williams is responsible for the states in this territory.

Q. Who has the final say as to whether you will have one or ten or fifty assistants in a particular county?

A. Of course the Federal Emergency Relief Commission has the final say about all this personnel.

Q. What policy do you pursue when you want to appoint ten men in say Blanco County—who do you get your authority from?

A. We do not appoint them.

Q. Well, how is it handled?

A. Well, we do not appoint them—we have a field representative. When we start into a district, we send our field representative there and try to get a man whom we think is the right kind of a man to handle the work there to take charge of the situation, and after the county board is set up they will appoint a man to take charge of the work in that county. Due to the fact that we have had to handle this work so quickly, we have not had time to make all the investigations into this that we would like to make, but we are now in process of doing what we can to check the qualifications of those who have been appointed.

Q. You say you have not completed that?

A. We have just started on that—those who have been appointed by the State commission have been approved by the Federal government.

Q. Does Mr. Hopkins have any people going around to check up on the set up that you have put in here, as to the number of men who have been appointed and the expense of those employees?

A. Yes, sir, he is getting reports every month of it.

Q. Has there been any criticism of any of the set up that have been made according to your reports?

A. We have received no criticism so far. The report for the last

month has not been heard from since it was sent in I guess he got it about the 20th.

Q. Has there been any official approval of these reports that have gone to Washington?

A. There could be, but I have no memorandum of them not being approved. I do not know whether they are officially approved or not.

Q. Do they undertake to assert that authority themselves, or do they leave that entirely to you?

A. I am sure I could not tell you as to that. I am sure that they make some observation of those reports.

Q. Is there any limitation to the amount of this Federal money that you can use in overhead or administrative expense?

A. I imagine there is. I think the moment we use too much money we would have a complaint. We have never used as much money as they sent us.

Q. What is the limit they give?

A. On the State administration expense they place, I believe, \$15,000 per month.

Q. What amount is that?

A. Fifteen thousand dollars per month for any one state. They place no limitations on the different counties; on the individual counties.

Senator Moore: When you say on the State you mean the State headquarters office—the administration office?

A. Yes, sir.

Q. And that is what amount that is placed on the State administration expense?

A. Fifteen thousand dollars per month.

Senator Rawlings: And there is no limit on the expense incurred by the local agencies?

A. No, sir. It is charged up and checked up every month.

Q. Are you in position to tell us how much money you have on hand now for relief purposes?

Q. Are those deposits secured in any way—are they all Federal reserve banks?

A. We have not had any of those deposits secured—the banks are in the larger cities—like the Republic—

Q. Senator Moore: Are they United States depository banks?

A. I could not say whether they are or not. I do not know if we have made that a requirement or not.

Senator Rawlings: Can you tell us the amount of money on hand September 1st, as compared with September 15th?

A. We have not gotten any more money, and I guess that on September 1st, we had six or seven or eight hundred thousand dollars more.

I believe that you had about two million dollars on September 1st?

A. Yes, sir.

Q. Can you tell us why you discontinued relief on that date?

A. We did not discontinue our relief work. We had to cut down on the expense and we did not know how things were going to be and we wanted to be sure—that was all.

Q. Do I understand you, Mr. Westbrook, that any of this Federal relief money may be used in the building of lateral roads?

A. To furnish the labor.

Q. I believe there is a restriction against the use of any of this money for materials?

A. It is to be used for labor only.

Q. What set up or agency do you have for the supervision of the work on the roads?

A. We have on hand in the Federal Reserve Bank at San Antonio \$1,361,820, for disbursement purposes, and in disbursing bank, about twelve of them, a total of \$83,284.55; for administration \$14,211.54, and in the payroll account \$79.68 on September 15th, which aggregates \$1,459,395.77—

Q. About a million and a half dollars?

A. Yes, sir, a million four hundred and fifty-nine thousand dollars.

Q. Is that secured in any way?

A. That is in the Federal Reserve Bank—secured by the Federal Reserve Bank.

Q. Is there any special security for that particular fund?

A. No, sir.

Q. It is not in the bank subject to check.

A. It is in the Federal Reserve Bank, subject to the check of the Governor of Texas.

Q. Is it placed in the bank in the name of the Governor of Texas?

A. Yes, sir.

Q. And may be released upon the Governor's signature?

A. Yes, sir; upon the Governor's signature.

Q. And those banks are scattered throughout the State?

A. Yes, sir.

Q. How many banks did you say that was deposited in?

A. Twelve of them—I believe.

Q. You can furnish us with a list of them?

A. Yes, sir.

A. Senator, I discuss that very fully in another section.

Q. While ago, I asked you the number of employees in the Bexar County organization?

A. There is between 250 and 260.

Q. That is shown on page 200 of the report?

A. Yes, sir. I imagine so. It takes two or three pages from there. I believe that it begins on page 200.

Senator DeBerry: A while ago you were asked about the number of employees in Bexar County. I did not understand just what the number was. And I believe that you stated at that time that you thought that you had too many there—did I understand you to say that?

A. Yes, sir; I think that we have too.

Q. Whose business is it to get them off that payroll?

A. It is mine.

Q. You were taking a while ago about the Federal government had an understanding, or that you had an understanding with a representative of the Federal government about the amount of funds here in your office and that you had had a check up, now what kind of a check up do they have in the outlying districts—state what kind of a check up they got?

A. They get the reports on these counties showing the amount spent, the kind and character of work that is being done, and they know how much is spent on the administration personnel?

Q. How do they know whether that is too much or too little?

A. They would not know. They have a very good idea about what it takes and to that extent—to extend that much relief to a given number of people, and if there is any thing particularly excessive, as it might be

in some instances, they would call my hand.

Q. In other words, all the check up the Federal government in administering this relief work had is just what is reported to them—just the reports and the comparison of those reports with other reports?

A. No. They get these reports and they have reports from all over the country and they are able to interpret those reports and tell whether or not the expenses are excessive. Now, of course, they give me a little leeway in the same manner that I give these people in the counties leeway. But if there should be an excessive administrative cost, I would get called.

Q. They do not go in there to see about it?

A. No, they do not go in and look at Bexar County, for instance, but they do get the detailed report of the activities there, and I am satisfied that when they get these reports there will be some exceptions raised about the expense in administration there.

Q. What I want to know about is how they can tell about that if they do not go there and see what is going on—they would have to go in there and look at what is being done—they would not just look at some report from over here in Arkansas and how the relief was being handled over there, and say that this was too much expense, or how would they do that—that is what I want to know?

A. I think they have an idea of what it costs to do the job.

Q. How do they get that idea?

A. They have had experience.

Q. When?

A. In the past I would say.

Q. Was anything like this ever done before in the world by this Government?

A. Yes, sir.

Q. When?

A. Not wholly like this, but I think there is some basis on which to form conclusions.

Q. What experience has the Federal Government ever had that they could take one particular administrative cost as representing all other costs and approve the cost of this character of administrative work and go ahead with that work or show what the cost would be, or

be able to tell what the cost should be, or whether the expense of such administration was too high or too low?

A. Well, there are men who are administering the Federal Relief work at this time that I think have had a great deal of experience in that type of work. Now the Federal relief administrator at this time was emergency relief administrator for the State of New York prior to being made Federal relief administrator. In that capacity he had quite a lot of experience, and in a similar capacity before, and he had had similar experience in the State of New York for three years because they had this condition up there long before we had it down here, and while some of the members in this State have not had that experience we still have the development of the technique, and have the benefit of their larger experience.

Q. You understand that it is all a loosely jointed expenditure of money?

A. I guess—I grant you that that is true. I say that though the relief work in Texas is being very efficiently administered.

Q. What was Mr. Williams doing before—before he went to work in this work—what was he doing, I mean what kind of work?

A. Mr. Williams as I recall, I did not go into his qualifications, but as I recall, Mr. Williams represented the American Public Welfare Association which is an endowed organization. Endowed to make investigations and research into social welfare work. In addition to that, he was a professor of sociology at the University of Wisconsin, and in addition to that he had served in some capacity in Washington, so I have heard. I am not sure as to that, but I know that he has had a lot of experience along this particular line.

Thereupon, Senator Woodward moved that the committee recess until 10 o'clock tomorrow morning.

Chairman Purl: Before we take that up, there is one gentleman here from San Antonio, who said something to me about that he could be here only for today, and had some information that he wanted to present before the Senate in regard to the situation in Bexar County; they

indicated to me that they were to be here on this relief question, and it would probably take only ten or fifteen minutes for them to speak. I do not know anything about the matter further than what I have stated here—

Senator Stone: How many copies of Mr. Westbrook's report are available.

Chairman Purl: I understand that two copies were furnished to the Senate, and two to the House of Representatives, and I understand another copy is available.

Senator Moore: I would like to see a copy of this so that I could make an inspection of it—

Senator Woodward: May I make this statement—two gentlemen were introduced to me this morning, but I do not know them, and I do not know what it is that they are going to talk about, but I understand that they want to be heard. They stated that they had in their possession a lot of affidavits, but I do not know what about. I explained to them that Mr. Westbrook would probably take all of the afternoon and probably the better part of tomorrow; and that I did not know whether we would be able to give them the time to be heard—but that this hearing would be continued and that they might be given an opportunity to be heard.

Senator Collie: I move that they be heard—

Chairman Purl: I would like to ask if these men are here present now—

Senator Collie: I want to withdraw my motion—

Chairman Purl: I do not know anything about them myself—

Senator ———: I for one would like to have this report printed in the Journal, so we could read it and tell something about it and know what I am doing. If I am not out of order, I make that as a motion—

Chairman Purl: I hope that you will not think the Chair presumptuous, but I do know a little about printing and it would take them about two weeks to get that printed and back to us, and it would cost a world of money—

Senator Stone: I would like to get down and read that report and try to understand it—without that,

I will not be able to intelligently pass on the question—how long would it take to have that report mimeographed—

Chairman Purl: The committee would have no authority to order this printed, and if it is desired to have this printed, in the Journal, it will be necessary to take that up in the Senate—

Senator Stone: Do you know how long it would take to have that report mimeographed—do you know what would be the difference in the cost of having it mimeographed and printed—

Senator Rawlings: It would take a long time to have that done—

Chairman Purl: What is the pleasure of the committee?

Thereupon the question reverted to the motion made by Senator Woodward to recess until 10 o'clock tomorrow morning—

Whereupon, the question was put and the motion carried at 5 o'clock p. m., and the Committee of the Whole recessed until 10 o'clock a. m., Friday, September 22, 1933.

The Senate resolved itself into the Committee of the Whole at 11:08 a. m., September 22, 1933, whereupon the following proceedings were had:

Chairman Purl: The Senate, sitting as the Committee of the Whole, please come to order. Colonel Westbrook, I believe you are still on the stand. I believe when we recessed on yesterday Colonel Westbrook had just about completed the first section of his report and was submitting himself to questions from members, I believe questions on the first section.

Senator Woodward: I can't keep in mind what is in the first section and what is in the second section.

Chairman Purl: He has not gone into the second section yet.

Senator Woodward: I might ask a question on either section.

Chairman Purl: Proceed.

Senator Woodward: Mr. Westbrook, have you a statement there as to the amount of money expended in Bexar County since the organization of the Texas Rehabilitation and Relief Commission under the act of the last Legislature?

A. We can total that up, Senator.

Q. Will you get that for me, please?

A. Yes, sir.

Q. Mr. Westbrook, who fixes the salaries of the county directors or the county administrators?

A. They are approved by the State headquarters.

Q. Who initiates it?

A. The field representative in whose territory the county administrator is located makes a tentative arrangement with him. That is true except in the case of the larger counties where it is initiated at the State headquarters.

Q. Mr. Westbrook, you are more or less familiar with Runnels County and Coleman County?

A. Yes, sir, I know the counties.

Q. Their populations are approximately the same and they are adjoining counties. I notice in this report on page 412 that the administrator in Runnels County is receiving \$200.00 a month salary and in Coleman County it is \$85.00. What is the reason for that difference?

A. We have not approved the salary of the administrator in Runnels County nor in any of these other counties yet, Senator, except a few of the larger ones. I think that that salary is entirely out of line for Runnels County and I don't think it will be approved.

Q. Has he been receiving that salary?

A. Probably did in the month of August.

Q. Do you know any reason why the salary of the administrator in Runnels County should be set at \$200.00 a month, in Coleman County at \$85.00 a month and in Tom Green County at \$100.00, I believe it is?

A. I do not. As a matter of fact it is the first time I had noticed it.

Q. Mr. Westbrook, do any of the commissioners appointed under the terms of House Bill 897 receive any compensation?

A. No, sir.

Q. They do not receive any at all?

A. No, sir. They receive their expenses, Senator.

Q. Will you turn to page 144 of the report, please, sir; I notice a resolution was adopted reading: "Resolved that each member of this commission be furnished with official stationery and envelopes and that each member be allowed the

sum of \$75.00 per month for office expenses incident to the carrying out of the duties of the commissioner." That was adopted, wasn't it?

A. Yes, sir. Senator, I would like to say in connection with that, if I may, that I submitted that to the Federal Emergency Relief Administration and they did not approve it and it has not been paid to them. The Federal administration said they would be entitled to receive any actual expenses but it would not be permissible to allow them the \$75.00 a month as set forth in the resolution.

Q. Mr. Westbrook, in the report of the employees in the various counties as shown in the report read yesterday, the names of the persons who are, according to the report, receiving salaries as county administrator or as stenographer or clerk or case worker or things of that kind, are you acquainted with any condition or situation in this State or in any of the counties of this State where there are people on the payroll who work in the office as a clerk or an employee or who work as an investigator, not listed as an employee but listed as relief work?

A. Yes, that is done in many cases, Senator.

Q. Is that a policy of the commission?

A. Yes, it is a policy of the Federal Government.

Q. Well, is it a policy of the commission?

A. Yes, sir.

Q. In other words, in a given county, according to this report there would be two people named as employees but one of them would be on relief work drawing a weekly or monthly salary?

A. Yes, however, there is a limit to the amount they can be paid and I would say that would not be general. It is, however, a policy of the Federal Emergency Relief Administration which we are just beginning to put into effect.

Q. Then, according to this report, we can't tell who in fact are employees in the various forces, can we?

A. Well, you can tell this, Senator, who are what we define as the administrative force. Now the distinction there is that those who are not being paid from the administrative funds and who are doing admin-

istrative work there must be qualified to receive relief funds. They must meet the qualifications of any other relief applicant.

Q. Now then, suppose that in a given county a person is employed as a stenographer and is receiving \$14.00 a week and that person is listed as an employee; sitting by the side of that employee is another employee listed under relief work drawing \$14.00 a week and doing clerical work, what is the difference?

A. The person drawing \$14.00 a week and who is there, who is being paid from the relief funds, must be entitled to receive relief according to the standards that have been set up and then there is this further difference that that person is not a regular employee of the organization; he is put on there for work relief and is removed as soon as any other work can be procured.

Q. The amount of money paid to this person listed as relief work would not be reflected in the totals representing administrative expense, would it?

A. No, it would not.

Q. Then we cannot tell from this report exactly what the administrative expense is if we charged against it the expense of these relief workers who are receiving in many instances just as much pay as a clerk or a stenographer?

A. No, you wouldn't have the exact figures.

Q. You wouldn't have the figures on that?

A. No, you wouldn't.

Q. Mr. Westbrook, have you received any complaint from Blanco County in reference to the employment of non-residents?

A. I don't recall; probably I have. I have received a number of complaints, some seven or eight.

Q. Do you know whether or not in that county there are a number of non-residents employed in connection with its work?

A. No, no, I wouldn't know about any of them except the administrators and we have to approve them. That might have happened and still not come to my attention yet.

Q. Do you recall who is the administrator of Blanco County?

A. I will send for a list of them, Senator. I don't believe it is in there; of course it is in the list of

the employees, but I have a list of the administrators.

Q. Would you get me a list of the field representatives?

A. Yes, sir. J. D. Kinney is the administrator for Blanco County.

Q. I don't care to ask any more questions now.

A. You asked me about the total obligations—the total expenditures of Bexar County since this commission took it over.

Q. What is the date?

A. From March 1st to August 31st and the total is \$554,186.69.

Q. Did we read into the record yesterday the administrative expense of that county during that period?

A. I think we did but I have got it here.

Q. I would like to know the administrative expense of Bexar County during the same period.

A. We didn't read it for the same period; we only read it for August as I recall.

Senator DeBerry: While he is figuring it up I would like to ask a question. Senator Woodward asked you several questions with respect to employees in different counties not being listed by name but being listed under the name of relief work.

A. Yes, sir.

Q. You said that would not appear in your recapitulation as to the cost of administration?

A. Yes.

Q. If it does not appear then the figures as to administrative cost could be very incorrect?

A. The accounting procedure, the one I have been directed to adopt by the Federal Emergency Relief Administration states that those who are employed on work relief, even if they are employed on administrative work, shall not appear. They are people who would receive relief anyway and are used in the office in some instances to assist in administering the relief in those offices where they are used.

Q. Is their pay confined to the amounts they would receive if they were only receiving direct relief?

A. We are permitted a great deal more latitude than we take. We are permitted to keep these people on for twenty-four days a month but generally we stagger them. We let them work out their ground as a rule. In some instances possibly his needs are greater than the aver-

age or he is occupying a key position but generally we stagger these people regardless of what they are doing.

Q. Do you have the records showing how many people in Red River or other counties are employed in work relief, indicating to you the number of people working?

A. We do not have those reports. They come to us from the counties, Senator. However, we do have it whenever we make an audit of the county.

Q. My purpose in asking this kind of a question is to find out a little more about administrative costs. Say it takes six, seven or nine persons, that is the payroll. Take for instance the records show you have three people on the payroll of Red River County and four in Lamar County. Red River County has about 30,000 population and Lamar between forty-five and fifty thousand. I have forgotten exactly the number. Could you hazard a guess in Red River County, where there were three on the payroll, how many would be carried on there in the name of relief?

A. No, that would vary a great deal depending on the load. These people are put on to take care of the fluctuation in the load. In general there are not a great many people employed in that capacity. In some places there are more than there are in others. I think myself that we should have a column in our report to give us that information. However, our reports are based upon the reports that the Federal Government requires from us and they have not heretofore required it from us and we have not required it from the counties.

Q. In Red River County you quote three people being paid under administrative cost, the three people added up together drawing a little over \$200.00; in Lamar it is somewhere around three or four hundred. The public gets the idea that it takes that much to administer relief in those counties.

A. That is not grossly irregular. That is the standard set up. It may become a little more at times due to these relief workers that should not properly be charged to administrative cost. They would get it at something else, either building a road or something else.

Q. If that be the case then it is just a question of how much money the State is going to be out but administrative work is administrative work.

A. I think you have a good deal of right in what you say. It is a question of accounting procedure. I am inclined to believe they ought to keep close record of everybody that does any kind of administrative work even though it be put that way, but it hasn't been done that way.

Q. Would your costs in counties like Red River and Lamar, if you add them up together would it be twice that amount or more than that amount.

A. Generally speaking the small counties, counties where there is not a great deal of expenditure cost more in percentage to the amount expended than the larger counties, naturally so because they have to have an administrator there; it wouldn't exactly go by percentage.

Q. You don't understand what I mean. You have three people on the payroll in Red River County, one at \$85.00, one at \$100.00 and one at \$50.00, I think. Compared to that amount, how much are you supposed to pay out in Red River County to people who would draw relief otherwise? Would it be that much or more? Say in either Red River or Lamar County?

A. I would put it a little more than that. Some places they don't use it at all and in other places they use it rather extensively.

Senator Woodward: Mr. Westbrook, do you know how many meetings there has been of the commission held since the creation of the commission under the Act of the last State Legislature?

A. I can refer to the record, the minutes here.

Q. If you will turn to page 138, I believe that is the beginning of the meetings.

A. That is right; that is the first one.

Q. That is the first meeting. What is the date?

A. June 2nd.

Q. 1933?

A. 1933.

Q. Under H. B. No. 897, which is the Act creating the commission, the Governor is made ex-officio

chairman. Has the Governor ever served in that capacity at any of those meetings?

A. She has not.

Q. Who represented her in those meetings?

A. Governor James E. Ferguson, former Governor James E. Ferguson.

Q. I will ask you if it is not a fact that he has presided as chairman of all those meetings?

A. He has.

Q. In the place of the Governor except one meeting which was held just before this bond issue at which time Mr. Hopkins was present?

A. That is correct.

Q. Do you know why he was not present at the time Mr. Hopkins was there?

A. He was not in the city.

Q. Otherwise, he probably would have presided at that time?

A. I think so, yes, sir.

Q. He is not a member of the commission?

A. No, sir.

Q. And is not on the payroll of the commission?

A. No, sir.

Q. But he presides as chairman of the commission?

A. That is right.

Q. By what authority does he serve as chairman of the commission?

A. I assume that he was delegated by the Governor to act in that capacity.

Q. Do you know of any legal authority by which she has the right to delegate this power to James E. Ferguson?

A. I do not, Senator.

Q. It is not provided in this bill that she can do it or not?

A. I don't think so.

Senator Woodward: That is all.

Senator Sanderford: May I ask a question?

Chairman Purl: Senator Sanderford.

Senator Sanderford: It is not prohibited in the bill is it?

A. I don't think so.

Chairman Purl: Senator Small.

Senator Small: Then you have, as chairman, someone who is not under oath, not responsible in any way whatsoever, nor under bond?

A. Well, the facts speak for themselves.

Q. The facts speak for themselves. Not responsible to a soul on earth? Will you answer that question?

A. Well, I wouldn't say that; no, I wouldn't say that.

Q. All right. Who is he responsible to?

A. I would assume that if you wanted to carry that out he would be responsible to the Governor who delegated him.

Q. In other words, we have a government here now where the Governor delegates the powers entrusted to the Governor under the constitution to some one who is absolutely unsworn, under no bond what soever, that is correct, is it?

A. No, I don't say that is correct. That is a statement which you make, but which I don't agree to.

Q. Well, it is true in this respect, isn't it?

A. Restate it and I will give you my opinion, it will not be anything but an opinion.

Q. I say, isn't it true as far as rehabilitation and relief is concerned, those powers have been delegated to one who holds no official status in Texas, who is not under bond, not under oath, not responsible to anyone, except he might be responsible to the Governor?

A. I will answer that by stating that the record shows that former Governor James E. Ferguson has presided over all the meetings except one. You may draw your own conclusion.

Senator Sanderford: I would like to ask a question.

Chairman Purl: Senator Sanderford wants to ask a question.

Senator Sanderford: Colonel, wouldn't you think that Ex-Governor James E. Ferguson would be responsible to a majority of the people of Texas who put him in the position that the Senator from Wellington has just brought about rather than to put some one else there whom others had chosen and tried to put there?

A. That would be a matter of opinion.

Senator Woodward: That would be just argument.

A. That is all. The facts speak for themselves. I don't know that my opinion is worth anything in that connection.

Senator Small: Just another question. Mr. Westbrook, when did you start out changing all these committees over Texas?

A. Well, we started—let me see. I will have to look up the exact date, Senator.

Senator Stone: May I interrupt just a minute?

Chairman Purl: The Senator from Washington.

Senator Stone: Mr. Westbrook, does the Governor ever do any voting at any of these meetings, Ex-Governor James E. Ferguson ever cast any votes at these meetings?

A. I don't know. I don't think so. The minutes would show if he did. I don't think so. I will have to refresh my memory on that. The first time we started changing these committees, I believe I have got it right here, it was initiated about the first week in July, we got out our instructions on the 5th of July, we started it off about the 5th of July.

Senator Small: Well, to whom were the instructions sent?

A. The instructions for changing the committees were sent to our field representatives. They were given to them in a meeting and then given to them in written form. They are part of the report that has been submitted here.

Q. Then, did the field representatives go into various counties and select those committees?

A. No. No, they had no authority to select the committees; the committees, under the law, must be selected by the members of the commission; they must be appointed by them and confirmed by the commissioners courts.

Q. When he went out actually into the county, did he determine who the committees would be in the various counties?

A. Well, we got some reports from field representatives, from others the reports came in from members of the commission, then from individuals in counties to whom letters were sent asking them for recommendations, in some instances from the commissioners courts.

Q. Now, isn't it a fact that in most instances you wrote some individual in the county and told him to select a committee up there?

A. Letters were sent, Senator, to every county; not to one; not to

one individual, but to one or more individuals in each county of the State; and also members of the commission themselves made recommendations concerning the counties that were in territories that they were familiar with.

Q. Well, do you know who letters went to in Potter County to select committees up there?

A. I don't know.

Q. Who was delegated authority to select committees up there?

A. I don't know, but I can find out, I think I can.

Q. Throughout that country, the 31st Senatorial District?

A. No, I don't know to whom they were sent.

Q. Now, isn't it a fact that a letter went to some individual in all of those counties to recommend a committee that had voted right in the last election?

A. No.

Q. And put friends of the administration—present administration, on those boards?

A. I would like to introduce the letter which went out, put it into the record, I would like to do that if you don't mind, Senator, rather than to answer your question. I think that would be the best answer to your question, if I may be permitted to have a copy of that letter and read it into the record.

Q. That is perfectly satisfactory. Before you get to that, were any other instructions sent out to put on those committees individuals in the counties?

A. Not that I know of.

Q. Well, were any instructions sent up there to the commissioners court that you would select this committee for approval; "that we have designated these particular individuals here as a committee," without consulting the commissioners court about it before you sent the committee up there?

A. As I recall the letter that will disclose that. As I recall the letter, it suggested that the matter be taken up with the commissioners courts to find out if they would approve the men who were selected in advance of the nominations being sent in to the commission. That is the way I recall it. The letter itself will give you that information.

Q. All right, have you got that letter here?

A. I am sending for it.

Q. Well, wasn't the net result of it that a letter went from some source, either from your office or from the Governor's office, some one here, an organization allied with politics, to some political leader in everyone of those counties up there telling them to select a committee that had voted right in the last election, and they did, went around and followed those instructions to see where they could find a committee of that type and selected committees of that nature?

A. Senator, I don't know a person to whom those letters went. I happened not to be here when they were sent out; they were sent out by my assistant. I will request that you wait until the letter comes back and I will read it to you.

Q. I will ask you this. Don't you know, as a matter of fact, that some close political friend selected every one of those committees in all of those counties up there?

A. I know, as a matter of fact, it is not true.

Q. Who selected the committee for Potter County.

A. I don't recall.

Q. You don't recall. Who selected the committee for Armstrong County?

A. I don't recall. It would be just an accident if I happen to recall who selected the committees in any county.

Q. Well, don't you think you had much to do with it?

A. No, the committees were selected in accordance with the law by the commission as a whole.

Senator Woodward: Mr. Westbrook, coming back again to the meetings presided over by former Governor James E. Ferguson, would you state who approved the minutes of the meetings presided over by him?

A. Governor Miriam A. Ferguson.

Q. She approved the minutes of the meetings which she had not attended?

A. That is correct.

Q. At the last meeting, which was held before the bond issue, I mention that to fix the time, that

was presided over by Mr. Hussion?

A. Yes, that was a rather informal meeting. I don't think there was any business transacted.

Q. At that informal meeting, that you had, did you hear Mr. Hopkins make this statement, "That no publicity be given to figures developed in Houston?"

A. Yes, I heard him make that statement.

Q. Do you know why he didn't want to give any publicity to the amount of money that had been spent in Houston?

A. I don't think he referred to the amount of money that had been spent in Houston, Senator. They had been making an investigation in Houston as to employed people on the relief rolls and there was such a startling number of families who had no employable member that Mr. Hopkins wanted to have those figures checked before anything was said because he did not want it to appear that the situation was as bad as it was. Those figures are now in process of being checked. That is the reference that was made.

Q. He said he did not want any publicity given to the figures developed in Houston. Now, what figures was he talking about?

A. He was talking about the figures which showed the number of unemployable who had families having unemployable members. That is incorrectly stated. The number of families which had employable members. Those are the figures he had reference to.

Q. What was the reason for keeping it secret?

A. It was not a matter of keeping it secret, Senator, it was a matter of policy. He was so astonished by what those figures revealed that he thought they should be rechecked before anything should be said about them.

Senator Woodward: That is all, I believe.

Chairman Purl: Any further questions by members of the Senate? (No question interposed.) Are there any members of the House here that want to ask any questions?

Senator Moore: Mr. Chairman, I would like to ask one.

Chairman Purl: Senator Moore.

Senator Moore: How many people

were put on the payroll, Mr. Westbrook, to help sponsor the bond issue before August 26th?

A. None, Senator.

Q. And as soon as the bond issue was over, they were taken off the rolls?

A. I don't know of any place where that was done; it may have been done, but I don't know of it, Senator.

Q. It was not done here in Austin?

A. No, it was not.

Q. Not without your knowledge?

A. It wasn't done here, I am sure.

Q. Is it not a fact that a number of people were employed prior to the bond issue election and they were taken off the payroll immediately after the bond election; isn't that true?

A. In this office here, the central office?

Q. Yes.

A. No, I don't think so, Senator.

Q. I think I can give you the name of a person who told me—

A. There may have been some, not many. There are more people on the payroll now than when the bond issue was voted.

Q. What about the people who went over the State to advocate the bond issue from Austin, who went out and urged the bond issue; did you pay their expenses?

A. No, we didn't.

Q. How did they get their expenses?

A. Well, the Steering Committee, of which Mr. Strauss is chairman, consisting of nine members, they raised some six, seven or eight thousand dollars to finance the bond issue, Senator, to finance that campaign. They paid all the expenses. I don't know where they got the money.

Q. I have been requested to ask if the Baker Hotel expense came out of this nine thousand dollars that the Steering Committee for the bond issue raised; did it come out of that fund?

A. No, I think it came out of a local fund raised in Dallas.

Q. Do you know who contributed to the fund?

A. I don't know who contributed to it.

Q. Was there a local organiza-

tion in that city independent of your office here advocating the bond issue?

A. Yes, sir.

Chairman Purl: Any further questions by any member of the committee?

Senator Small: Mr. Westbrook, I have a telegram here from the county judge at Corpus Christi which reads as follows: "Texas Relief Commission yesterday installed county committee over protest of commissioners' court. The committee appointed is not acceptable to the court. Offers by court to meet Mr. Westbrook and try to agree on a compromise committee have been ignored. The court desires to hold up functions of committee until matter can be gone into as to legal status."

What is that situation that prevails down at Corpus Christi, Texas? Can you tell us in a general way what it is?

A. Yes, I can tell you pretty specifically about that; I know a good deal about that. The commission nominated members of a committee for Nueces County.

Q. Do you remember who they were?

A. No, I don't, Senator. I remember the chairman; I don't remember any of the others; I just remember the chairman, but anyhow, those names were presented to the commissioners' court and the commissioners' court refused to confirm them. I think they sent back some other recommendations to the commission. The matter came up but the commission said it would not yield.

Q. Do you remember what member of the commission nominated those men?

A. Mr. Pope.

Q. Mr. Pope. All right, excuse me for breaking into your statement.

A. Yes. I had finished.

Q. When was this second meeting when that came up and they said they would not yield to the commissioners' court down there?

A. I will have to look at the minutes. I think perhaps it was the last regular meeting that they held, Senator. The matter has been a subject of dispute practically ever since we tried to do any business together.

Q. Well, the upshot of that is that down there now there is a com-

mittee sent down there to function which is not approved by the commissioners' court.

A. Well, the situation is this. The work in Nueces County has hitherto been carried out by a committee which was appointed by the Governor, first appointed by Governor Sterling and then appointed by Governor Ferguson; that committee, of course, is serving by virtue of that appointment by the Governor, by virtue of appointment by Governor Ferguson. As I understand that, Governor Ferguson has asked that committee to resign, the one which he had previously appointed down there, I am not sure that is true but that is my understanding and that she proposes to appoint, has appointed another committee there pending the setting up of a county board of welfare employment in accordance with the law, the idea being that the new committee that the Governor will appoint will have the same legal status that the committee, which is now serving, has.

Q. Well, is it the attitude of the commission that you, from Austin here, can select those people to serve on that committee better than the commissioners' court?

A. No, I don't think it is, generally speaking, Senator; it certainly is not the attitude of all of them. Of course, there are a good many questions that enter into it. I believe myself, my personal opinion does not reflect the opinion of the commission, I think the thing is backward; the law is written that way; I think we should have nominations made locally and approved by the commission. It seems to me that is the way we ought to do it. Anyhow, the law is written that way and we have to carry it out.

Q. Don't you think, as a whole, that the commissioners' courts of the many counties of the State, who are on the ground and acquainted with the people, with the needs of the county, who know their citizenship, could get a committee that would function in that county to the satisfaction of the population better than you could down here at Austin?

A. Yes, I agree with you. I think the law is written backwards; we didn't write it. That is the way it was put on here in the Senate.

Q. The same situation prevails

down in Hidalgo County, doesn't it?

A. Yes.

Q. Well, the way some people think about it in Texas, a bunch of those people down there have taken things into their own hands and have a sort of government of their own?

A. Well, those people, they defend themselves.

Q. Well, you know in some circles they are called "boleys." You have heard them called that?

A. I have heard them called that.

Q. Anyway, they have been successful in politics within the last year?

A. I am not familiar with politics in the valley.

Q. Anyway, they have been told who ought to serve on those committees without letting the commissioners' court do it?

A. The same situation existed there as in Nueces County; there is a difference between the members of the commission and the commissioners' court.

Q. That situation prevails to a large degree all over the State?

A. It does not.

Q. It does not?

A. No.

Q. Well, where a man has been rather active politically in the past, there are not many of those fellows on those committees, are there, that is, men active against the present administration?

A. Yes, there are a good many, Senator. I expect I could give you a good many. I have got a lot of cussing out on account of it; I can give you a good many letters of protest from citizens from various parts of the State, protesting against Bullington men and Sterling men; I have about as much of one kind as the other.

Q. It seems to be the idea that those committees should be administration committees all the way through.

A. No. On the contrary, all the instructions that have gone out have been that they should be non-partisan.

Q. That is the instructions sent out by you?

A. Yes, sir.

Q. Do you know whether anyone else, as chairman or de facto chairman, has been sending out any contrary instructions?

A. I don't know that they are

doing it. I have known of none being sent; I mean it has not been done through my office.

Q. You have had very little to do with the selection of those committees?

A. I haven't had anything to do with them as a matter of fact; that is a function of the commission; I haven't had anything to do with it at all as a matter of fact.

Q. Don't you know that it has been a matter of political expediency rather than a matter of efficiency?

A. No, I don't, Senator. I think that in some cases that charge might properly be made but I think as a general proposition it could not be made.

Q. Could not be made?

A. No.

Q. Do you think that you could go out there and throw politics aside and go into those counties and select those men on the basis of integrity and efficiency regardless of how they vote; cut politics out of this situation and get a much better job than you are now?

A. I think local politics enter into a situation it complicates it terribly. Local politics are much worse than State and National. We have some very flagrant instances where those funds have been used in local elections. Those matters are in process of investigation and if later on anything can be done about it, we are going to do it.

Q. Do you have that letter now?

A. Yes, the letter went out on June 17, 1933. It is a form letter. (Reading):

"Dear Sir: The Rehabilitation and Relief Commission is authorized under a recent Act of the Legislature to appoint five citizens to constitute the county boards of welfare and employment in each county. Said appointments are to be approved by the commissioners' court of each county.

"I would appreciate it if you will call in conference at least five or six of our friends and agree upon five names to be recommended to the commission for appointment. Women are eligible to serve on these boards.

"While in the appointment of these boards political partisanship should be avoided as much as possible, yet it is desired that competent people who will give attention

to the work and who will cooperate with the commission should be appointed.

"It is desired to complete these appointments as quickly as possible and I will appreciate it if you will get in touch with our friends and make this recommendation at an early date. Also, when the names are agreed upon to be recommended, the law requires that same be approved by the commissioners' court and in making the recommendation we will be glad if you will bear this in mind and confer with the commissioners' court before sending in the names, and have the court certify its endorsement.

"Thanking you in advance for your early attention in this matter, I am,

"Yours very truly,

"LAWRENCE WESTBROOK,
"Director."

The letter was signed by me. However, I was out of the State. All of those letters that go out are signed by me. I had drafted a somewhat different letter. This letter was written by Mr. Reed who is my assistant.

Q. What does Mr. Reed mean by "our friends"; why did he refer to "some of our friends" in that letter there?

A. I think Mr. Reed ought to testify to that; that is his language. I don't know.

Q. Well, what do you think he had in mind, what he meant by "our friends"?

A. Well, it is his language, Senator; he wrote the letter; I think he had better testify to that.

Q. Have you got a list of the people to whom those letters were sent?

A. I don't know whether I kept a list of them or not. They are form letters; I don't know whether I did or not. I was gone when this thing happened. I don't know whether there is a list of the people to whom they went or not.

Q. Now, you are not going to tell this committee that those letters did not go out to a bunch of individuals around over the State known to be supporters of the present administration and that those individuals took that letter and interpreted the words "our friends" to mean the same political clan or

tribe to which they belonged, and they were to confine it to "our friends" there in selecting this committee?

A. No, I can't answer that one way or the other, Senator. As I say, I do not know to whom the letters went. I do know the results in many counties. I know that we have—I would just hazard a guess that if you were to take a political census of the members of the committees throughout the State that you wouldn't find much difference; there would be about as many Sterling people on the committees as there are Ferguson people. Now, that is a guess, of course, I know of many instances where committees are made up entirely of Sterling people.

Q. Do you remember the personnel of the first committee that was submitted to the commissioners' court in Potter County?

A. No, I don't, but I can find out; I think it is a matter of record.

Q. It is a fact, isn't it, that was a straight out Ferguson committee?

A. No; I don't know that.

Q. You don't know. That was submitted to the commissioners' court of Potter County about the time that we were trying to get some park work done up in Amarillo, wasn't it?

A. Yes, sir, I assume it was.

Q. Just about that time. Well, the commissioners' court declined to appoint those folks, didn't it?

A. I don't recall that, Senator.

Q. Wasn't that about the time these C. C. Camps were moving around to various stations?

A. Yes; I was in Washington at that time. That is the reason I am not any more familiar with the method of selecting committees.

Q. And that when the commissioners' court refused to appoint the committee, that was sent up there, the soldiers, all these "tree setters" that were supposed to come up there on that park work were moved to Wyoming or somewhere else?

A. No, there was absolutely no connection; as a matter of fact it had nothing to do with this camp business; it had nothing to do in regard to the rejection or approval of the committee in Amarillo.

Q. Well, don't you know that we came down here to see about the

parks, that while we were here in Austin the question of that committee arose, the appointment of the committee up there, and when the park situation was straightened out, that there was an agreement made that you were to select three on the committee at Amarillo and that two of the old members were to remain, that the park situation ironed itself out all right; don't you know that was done?

A. No, that is not true. There was no compromise whatever entered into, and that statement, whoever makes it, is a false statement.

Q. You don't mean there wasn't anything like that done?

A. If it was done, it was done without my knowledge. No one had anything to do with the decision in regard to that matter except myself.

Q. All right, I will state for your information it was done.

A. Well, I don't know about it.

Q. And when the committee was appointed up there with the three members that the park situation immediately got better?

A. Well, it didn't have anything to do with it. I will tell you why the park situation got better. It got better because, as you ought to know, because you participated in it, because a group of citizens in that territory up there sent me a telegram which I would like to read into the record, since you have brought the matter up, I would like to read that telegram that I sent to you, to someone up there in Amarillo in regard to the park situation, and I would like to read the reply to that telegram. That is why you got the parks in that county because you gave assurance which had not hitherto been given.

Q. All right. After we sent you that long telegram, signed by, I guess there must have been twenty-five or thirty names to it, wasn't it?

A. Yes, sir.

Q. About the time these soldiers got ready to move out there, do you know anything about a statement made there that the two men retained on that committee were not acceptable?

A. No.

Q. Do you know about right at that time something coming up about the water supply up there not being sufficient, about that time

they raised the point that those men were not acceptable?

A. I don't remember that they raised that point; I don't remember anything at all about it myself, about those men not being accepted. I do know the water supply was declared insufficient by the Army.

Q. And that about that time a question was raised about those two men being left on the committee, that they didn't like them and wanted them off?

A. I don't recall.

Q. Do you know whether or not anything was said to the commissioners' court of Potter County about taking those two men off the committee, that the park situation would be helped any?

A. No, that is news to me.

Q. About that time there wasn't anything more said about the water, the soldiers moved in and everybody got happy?

A. No. I remember they met the requirements of the Army. I don't think it is very material, but I can bring plenty of evidence to indicate that the water situation was handled entirely by the Army. As soon as they gave their approval we gave ours.

Q. Well, just a minute. How about the foremen that were placed out there with the Army to do that work, who appointed those fellows?

A. They are appointed by myself and confirmed by the Chief of the National Park Service.

Q. Who did you delegate the appointment of those men to up in Amarillo?

A. Nobody.

Q. Nobody. You did it yourself?

A. Yes, sir.

Q. No one up there had anything to do with it?

A. Yes, I got some recommendations from almost every place where we appointed those foremen.

Q. Where did you send those foremen from?

A. Oh, they came from various sections of the State.

Q. You didn't take them from up there?

A. Yes, there were some local people appointed as foremen up there, Senator.

Q. A few?

A. Yes, sir.

A Voice: Will you talk a little louder?

A. I said there were some appointed from up there, maybe a few foremen. I never paid much attention to where they came from.

Q. As a general thing they showed up there with a slip from someone down here on this committee or functioning with this committee saying "put this man on" and he went on?

A. Yes.

Q. And so far as relieving the local situation, the unemployment situation, there wasn't any attempt to do that by putting on local people who were acquainted with the situation?

A. Not in that capacity. We did not consider that as one of the factors in selecting those people, that is, not an important factor.

Q. Do you know how many you have up there?

A. No. I can get it, but I can tell you not very many.

Q. Not very many?

A. No.

Senator Small: All right. That is all.

Senator Woodward: Mr. Chairman, I would like for Mr. Westbrook later, it is after twelve o'clock now, to explain what he means by army work, so as to get the record complete.

Chairman Purl: Senator Sanderford, do you want to ask a question?

Senator Sanderford: Let me ask just one question.

Colonel Westbrook, out of the two hundred and fifty-four counties in the State, how many disputes are there over county boards of relief.

A. Counting all disputes, major and minor, I don't think there are over fifteen or twenty.

Q. Out of the whole two hundred and fifty-four counties?

A. That is right.

Q. Now, one other question. Isn't it a fact that the largest group of complaints on the appointments of those committees has come to the commission and to you from a bunch of disgruntled politicians, both Ferguson and Sterling supporters that did not get just what they would like?

A. It is about even. I believe the Ferguson supporters have com-

plained a little more bitterly than the Sterling supporters.

Q. Colonel Westbrook, do you know, as a matter of fact, in the previous administration that letters went out from the Governor's office to several county judges under the old regime requesting that they appoint only Sterling supporters?

A. I don't know it as a fact, because I have never seen the letter, but I understand that is what was done.

Senator Sanderford: That is all.

Chairman Purl: Does the committee want to recess until 2:00 o'clock?

Senator Woodward: Mr. Chairman, I move that we recess until 2:00 o'clock.

Chairman Purl: Senator Woodward moves that the committee recess until 2:00 o'clock.

Thereupon the question was put and the motion prevailed.

Afternoon Session—September 22, 1933.

The Committee of the Whole met at 2:10 p. m. on this date, with Chairman Purl in the chair:

Chairman Purl: The committee will please be in order. The Sergeant-at-Arms will find seats for all visitors and keep the door clear.

Mr. Westbrook on the stand:

Chairman Purl: The chairman would like to announce, without any offense to anyone in the room, or to members of the press, who are all his friends, that a table has been set aside for the members of the press, and if those who are occupying those seats there will let us have them for the press, that other seats are available, and we will appreciate it very much—

All right, Mr. Westbrook—I believe at the time of the noon recess, you were answering some questions from different Senators, and we will proceed along that line unless there are some other matters that you want to take up—

Senator Woodward: I had asked Mr. Westbrook just before we recessed, to explain just what he meant about the army?

A. Yes, sir. In the establishment of the Civilian Conservation Corps camps in Texas, and elsewhere throughout the United States.

Q. Now that is under your direct supervision—this commission?

A. Well, our main activity has been acting as a co-ordinating agency in getting these camps established down here; we made the application for them and have acted sorter as a co-ordinating agency.

Q. Do you mean that you are taking that as a part of the relief program?

A. Yes, sir.

Q. Just explain what you mean?

A. Well, it is handled in this way. These civilian conservation corps camps were, or might be, under the law under the Emergency Conservation Law, established for the purpose of—for three purposes—first, forestry work; second, soil erosion work, and third, park work. The program itself, that is, if it has to do with the improvement of forests, ought to be, or had to be submitted to the Forestry Service, by the State Forestry Service through the National Forestry Service, and the same thing is true of the Soil Erosion Service; that had to be submitted by the A. and M. College to the Department of Agriculture, and the Park Service had to be submitted by the State Park Board to the National Park Service of the Department of Interior. We assembled those applications and advocated them for Mr. Williams. After the camps were allocated to the State, the allocation of the camps themselves depended upon camp site regulations being set out by the army. Under the National program, the army is charged with the responsibility of morale and health of these men in the Civilian Conservation Corps.

Q. What army?

A. The United States Army. In Texas it was handled by the 8th Corps area. Texas is in the 8th Corps area, and in this State was handled by the headquarters of the 8th Corps area at Fort Sam Houston. Before we could get a camp established, a survey had to be made by the men in the army; they had to go there and make a recognizance and approve it from a sanitation standpoint; they had to be satisfied that there was an adequate and satisfactory water supply and that other health requirements were met. That is the part the United States Army played in that. In the operation of

the camps, when men were not at work, they were under the control of an army officer. Camp discipline, morale, recreation and other activities of that nature were under the supervision of the United States Army; also subsistence, purchase of supplies, food and wearing apparel. When the men were at work, they were under the supervision of the particular service in which they were engaged; if they were in the forestry division they were under men who had charge of that part of the work.

Q. Who secured those men to work in those camps?

A. For the forestry work, Mr. E. O. Sieke, who was in charge of the State forestry work. In the soil erosion camps, they were secured by Mr. Bentley, who had charge of the erosion camps, and in the park service, they were secured by myself, because we administered the park camps at the request of the park board. The park board did not have the physical set up to permit them to administer it and the chairman of the park board joined the Governor in requesting the Department of Interior to turn that over to the commission.

Q. There has been some conflict between the park board and your commission in reference to that matter, hasn't there, Mr. Westbrook?

A. Yes, there has been some conflict between Mr. Colp and myself in reference to certain promises that were made—that were made to certain citizens of the State which were not susceptible of being fulfilled, and in reference to that commitment, our commission was made the agency to handle that part of the work—there were various promises made in reference to the title of various tracts of property.

Q. Regardless of that controversy, there has been some conflict, between the the park board and the personnel of your commission?

A. Yes. I thought you wanted me to describe the nature of the controversy; that, however, has been covered in another part of the report which will come later.

Q. Did you get for us during the noon recess those figures about Bexar County?

A. I got them, and had them on the desk here, but I do not think

that I have given them to you. I may have put them on the desk here—I did not give them to you.

Q. Now while you are getting that, after the adoption by the Senate and by the House of the resolution calling for this information did you take up with the various county directors or administrators, the question of furnishing you with certain information that you might need to incorporate in this report?

A. Yes, some of it is incorporated in this report.

Q. Was this in substance the telegram that you sent out: "Reference list employees Stop List should include all persons on administrative payroll and salaries but not employees on work relief basis Stop Compile as of September first Stop Must be mailed not later than tomorrow in any case Stop Send fastest mail special delivery. Lawrence Westbrook, Director?"

A. That in substance is the telegram I sent out.

Q. Then from the reports you received in response to that telegram you incorporated those reports in this report you have made to the committee?

A. That is correct.

Q. Now, will you kindly turn to page 438 of the report—you will find there Tom Green County—

Chairman Purl: Unless there is some objection, the chairman will instruct the court reporters to have certain information which may be desired by the newspapers given to them, so long as it does not interfere with the work of the reporters, and the members of the press will be permitted to inspect certain instruments and documents that may be filed with them as exhibits so long as they are not taken from the room. This information has been requested by the press, but will not be given out by the reporters without this authority and unless there is objection to letting the press have access to these documents, so long as they are not taken from the room where the reporters have them, that authority will be given them.

Senator Woodward: Page 438 of the report the following names of the employees seem to be R. E. Bradbury, administrator, \$100.00 per month; E. A. Elliott, case worker,

\$75.00 per month; Mrs. O. H. Hill, case worker, \$75.00 per month, and A. A. Phillips, bookkeeper, \$75.00 per month, making a total of \$325.00 per month. I have in my possession a copy of what purports to be, or what may be a copy of the report as shown on page 438, and I am just wondering if there is an error in this report—the copy that I have recites that C. S. Neson is administrator instead of Bradbury, that Hazel Beasley is on the payroll at a salary of \$100.00 per month; C. S. Jamison is listed as a relief worker at a salary of \$75.00 per month, \$60.00 being carried as administration and \$15.00 carried as work relief; Carol Bates is on the payroll there at a salary of \$62.00 per month, \$50.00 carried as administration and \$12.00 as relief work; Nellie Wilder is on the payroll at a salary of \$60.00 per month, \$45.00 carried as administration and \$15.00 carried as work relief. Now, really, this is not in keeping with the report that was filed with the committee—

A. The reason for that is, Senator, that on the 15th, I think it was, or a few days ago, possibly a week ago, before this committee had requested this information, we had requested similar information from the several county administrators, for the purpose of making out bonds or getting the names of these people put on the bonds, and that report that you have is in answer to that, and the reason for the difference is that that was during the time the change was being made.

Q. Then this report, on page 438, would not reflect the name of those on the payroll in Tom Green County as of September 15, 1933?

A. Not as of that date. We made this report up on information that we had procured just prior to that time and it was during this time that a change was being made and that is perhaps responsible for the apparent discrepancy.

Q. I am not concerned about it because it really is not material error so far as this is concerned. I would really like to ask you this: on these various county reports do you carry on your payrolls the name of those persons who are recommended as employees strictly?

A. Yes, sir.

Q. And I believe you say that

would reflect the name of the employee and the amount he was receiving and whether he was carried as relief worker?

A. That is right.

Q. Now in case of C. S. Jameson who is carried at \$60.00 administration and \$15.00 relief work, was that \$60.00—why was that \$60.00 so taken into consideration?

A. Well, it was this way—however, I would not—we will not approve that—that we do not believe is a proper practice—we do not believe that anybody ought to have his compensation divided up.

Q. But that practice is being followed, is it not?

A. Not generally speaking. That is the first instance that has been called to my attention.

Q. Is it not a fact that you have got reports showing that in numerous places in Texas?

A. No, sir.

Q. Now, Mr. Westbrook, you said something about the bonds. All of these county administrators are under bond?

A. Yes.

Q. Are any other people put under bond in the county personnel then?

A. Yes, we are preparing to have that done. We will have a bond on every employee who handles money or goods.

Q. Are they carried in one company?

A. Yes. It is a company that was approved by the Insurance Commission.

Q. Through what agents?

A. Eugene Smith.

Q. Mr. Eugene Smith is now one of the parties closely associated with the administration?

A. Yes, I understand he is.

Q. He is the same Eugene Smith that formerly had some insurance matters down here?

A. I do not know. I know he was an insurance man and was a friend of the governor and since there was no way of bidding on these insurance policies I sent for him and told him I would like to have him write these policies.

Q. How came you to select Mr. Eugene Smith?

A. Because he was a friend of the governor and I wanted to give him this business.

Q. I will say to you that is a very frank admission.

A. That is right.

Q. There is no way of misunderstanding that. I want to congratulate you on being frank about it.

A. There is no other way to be.

Q. Do you know how much the premium amounted to that you paid to Mr. Smith?

A. It was a pretty big premium.

Q. I just want to get the amount of money that was paid to Mr. Smith for this premium.

A. The auditor informs me that so far we have not received a bill for the premiums on bonds other than those on the State payroll other than at State headquarters.

Q. What does that amount to?

A. \$1331.92.

Q. That only embraces the employees in the State headquarters?

A. Yes, sir.

Q. That would not include the 234 counties, directors and administrators and other employees that it is your purpose to place under bond?

A. No, sir.

Q. That is going to run into a rather nice sum of money, isn't it?

A. It will be a big premium.

Q. Eugene is going to do fairly well under that?

A. Yes, sir, I would like to have it myself.

Q. That is the same Eugene Smith who was refused confirmation a few years ago on the Highway Commission?

A. I do not know, Senator.

Q. The same Eugene Smith who was connected with the administration of Mrs. Ferguson several years ago?

A. Senator, I do not know anything about it.

Q. But you picked him out from among Jim's friends, didn't you.

A. I knew he was close friend of the governor and it did not make any difference to me.

Q. Were there any other of Jim's friends that could have written that insurance?

A. I guess there were.

Q. I believe you stated you did not know who he was at that time?

A. No, sir, I did not.

Q. Did you make any effort to distribute this insurance among other friends of Jim's?

A. I did not.

Q. Now, do you have those

figures on San Antonio and Bexar County?

A. Yes, sir. The total amount expended in Bexar County in this Relief Administration work is \$554,186.69; expense as reported \$41,696.82. I know that is wrong because they failed to report in previous months some of the expense that they should have reported as administrative expense. Also, Senator, I would like to say here that I am having a check made of this administrative expense as reported for July for Bexar County and I am also having this done in a number of other counties. I know that there is a considerable amount of this that should not be charged to administration and really should not have been expended out of the relief fund.

Q. But your figures are now \$554,186.69 reported as the total amount of money that has gone into Bexar County for relief purposes?

A. The amount that has been expended—that is reported having been spent.

Q. Under the direction of the present Rehabilitation and Relief Commission?

A. Yes, sir, that is a part of that.

Q. That is included in the \$554,186.69?

A. Yes, sir. I think there is some misunderstanding in the method of reporting the administration expense.

Q. Mr. Westbrook, what authority has Mr. J. J. Boley?

A. He is field representative.

Q. What authority has a field representative to employ or discharge employees in a given county?

A. He is charged with the selection of the county administrator only; he selects them; they are presented to the county board for their approval and are subsequently approved by the State headquarters.

Q. In other words he has the right to select the employees to be subsequently ratified by others?

A. Yes, sir.

Q. Does he have authority to discharge an employee?

A. Not without the approval of this office. He makes recommendations to this office and we investigate and either reject or approve these recommendations.

Q. Then he would not have the right to go into the Tom Green County office and peremptorily discharge

an employee and substitute someone else?

A. He would not.

Q. Then he would not have the right under his duties to substitute a local resident or citizen with some person from Bell County?

A. Not if there was some person already employed who was capable of doing that character of work, he had no right to do that if we had approved the former appointment.

Mr. Westbrook: May I read into the record—On yesterday we were discussing the administrative expense of Tarrant County and at that time I testified that the City of Fort Worth and the County of Tarrant were paying a part of those expenses but I didn't know how much so I telephoned to the administrator of Tarrant County and asked him to get that information and I should like the privilege of reading it into the record if I may. This telegram is addressed to me. (Marked Exhibit A)

D32 133-AB Ft. Worth, Tex. 22
1113 A

Col. Lawrence Westbrook,
Director.

Texas Rehabilitation and Relief
Commission,
Austin, Texas.

City of Fort Worth expenditures for relief month of August out of City funds fourteen thousand nine hundred seventeen dollars fifty-five cents Stop Tarrant County out of county funds, seven thousand eight hundred forty seven dollars twenty-seven cents Stop Tarrant County Board of Welfare and Employment, seventy-eight thousand forty dollars ninety-one cents Stop Total one hundred thousand eight hundred five dollars sixty-eight cents Stop City administration costs out of city funds three thousand one hundred fifty dollars and fifty cents Stop County administration costs out of county funds seven hundred twenty-five dollars Stop Tarrant County Board of Welfare and Employment administrative costs one thousand one hundred thirty-one dollars forty-eight cents Stop Total five thousand six dollars ninety-eight cents or approximately five per cent for administrative costs.

A. H. FLICKWIR,
M. D. Administrator.

Mr. Westbrook (Continuing) The figures we had yesterday were misleading and I wanted to read them into the record. I would like to have the privilege of introducing some matters which had reference to Senator Small's question this morning.

Senator Martin: Someone handed me a slip, "Why was the Palo Duro park business delayed"?

A. I testified about that this morning and I have gotten some data here just on that question. On the 16th of June I was in Washington in the interest of getting these parks established here. I had a conversation with Mr. Wirth, who is in charge of that work in the Department of the Interior. He had asked me about the deeds to the lands on which the camp would be established and I had received from Mr. Clop a telegram stating that all of these lands on which parks were to be established had been deeded to the State with the exception of the Palo Duro and one or two others, the Palo Duro deeds being in escrow in the American National Bank here in Austin with an escrow agreement attached, which Mr. Clop assured us was all right. I thought I better look into that escrow agreement, so I wired Mr. Reed, my assistant, to go down and look at this escrow agreement and this is what he says: (Exhibit B)

On June 16th you wired me from Washington to investigate the deeds in escrow covering the Palo Duro Park which deeds were in the American National Bank of Austin. Agreeable thereto I called up the bank and found that, contrary to statements of Mr. Clop, these deeds were improperly drawn and included a Vendor's Lien and two deeds of trust, all of which aggregated a lien against the property of about three hundred and sixty thousand dollars (\$360,000). The escrow agreement stipulated that upon the establishment of these camps there would be delivered to the State Parks Board the deeds carrying the liens above mentioned. There was to be delivered to the vendor a note in the approximate amount of two hundred fifty-three thousand dollars (\$253,000) and also a resolution of the Parks Board agreeing among other things to erect a one hundred room.

hotel, one hundred cottages, four dams and a complete utility system to serve such layouts. It was my understanding at that time that the title of the park lands was required to vest in the State, unincumbered. I accordingly wired you, "Palo Duro biggest mess I ever saw." I then got in touch with Mr. Clop and accompanied him to the Governor's office and laid the entire matter before the Governor. I informed the Governor in Mr. Clop's presence that Mr. Clop had told us that deeds in proper shape were available. The Governor stated that she could not approve of the project as the set up for the reasons that she had had no prior knowledge of the contracts or obligations created thereby, that she was sure that the State Legislature also had no knowledge of the transaction and that none of the documents in the agreement bore the approval of the Attorney General's Department.

I then accompanied Mr. Clop to the Attorney General's Department and laid the matter before Mr. Hooper, First Assistant Attorney General. Mr. Hooper stated that on cursory examination the documents did not seem to conform to Texas Statutes, but that he could not give a written opinion of them without considerable further study.

In the meantime the Commanding General of the 8th Corp area had set a dead line of June 18 by which time all Texas camps were required to be ready for garrisoning. In view of this requirement and in order to obviate the possibility of losing the Palo Duro Camp from Texas, (the army had notified us that if our entire quota of camps were not ready by the 18th then those camps would be moved to other states,) I immediately undertook to find alternate camp sites at other Texas locations. This decision was based on the wide variance of conditions which I found to be true from statements which had been made by Mr. Clop.

Subsequently to the above happenings, the entire contractual arrangement covering the Palo Duro Park was changed by the Attorney General's Department so that it was approved by him as not obligating the State in any manner. Various prominent citizens of Amarillo gave

their written endorsement and opinion thereon and the parks were finally approved. This latter part of the transaction was handled by you. The record will disclose that the project as originally set up would not have been in accordance with Texas law, nor would it have been possible of satisfactory conclusion.

All the trouble with reference to this camp was originally caused because of the fact that Mr. Clop did not state the facts surrounding the transaction as they actually existed and caused us to be therefore grossly misinformed.

J. F. REED.

Senator Small: Just there, state what changes were actually made in the situation?

A. I understand that the resolution which required the building of a hundred room hotel and a hundred cottages was eliminated from the final contract, also the attorney general himself wrote the contract so that it would conform to Texas Statutes. I have his letter here which I would be glad to read, which I think sets forth the changes which he made. (Exhibit C.)

Office of the Attorney General
Austin

June 21, 1933.

Mr. J. F. Reed, Asst.

Director.

Texas Rehabilitation and Relief
Commission.

Capitol Station,
Austin, Texas.

In Re: Palo Duro Canyon Project.

Dear Mr. Reed:

In compliance with our conversation of yesterday and conference with Mr. Clop and others interested in the Palo Duro Canyon project, I am enclosing herewith:

First, evidences of indebtedness against the premises upon which the Palo Duro Canyon Park project is to be located, between Mr. Fred A. Emery, and the second Alliance Trust Company, and the Alliance Trust Company, showing approximately \$105,000.00 due as first and second liens against this property, bearing interest at the rate of six and one-half per cent, showing the time of payment of said indebtedness to be extended to the first day of November, A. D. 1942.

No. 2. A deed which has been placed in escrow from Mr. Fred A. Emery and wife, Millie B. Emery, to the State of Texas, in which a vendor's lien is retained against the property for the sum of \$253,280.29, secured by a vendor's lien note with right of foreclosure against the premises if not paid, and a deed of conveyance from B. L. Maddox, a feme sole, conveying her interest in these premises to Mr. Fred A. Emery.

No. 3. Copies of resolutions from the State Parks Board to Mr. Emery agreeing to make certain types of improvements upon said premises and to pay for the premises out of the revenue to be derived from the concessions from the park and a contract of similar nature between Mr. Clop as Chairman of the State Parks Board and Mr. Fred A. Emery.

No. 4. A statement of tentative study of a financial set up for the Palo Duro Canyon State Park of Texas, submitted by Mr. Clop as Chairman of the Texas State Parks Board, showing this set up to have been prepared by Mr. Herbert Evison, Secretary of the National Conference on State Parks and Mr. Conrad L. Wirth, Assistant Director, National Park Service, setting forth the cost of the premises, operation charges, revenues to be derived from the premises and setting forth certain types of improvements to be made thereon for the benefits of the public which may utilize these lands as a park.

No. 5. Copy of S. B. No. 532 of the Forty-third Legislature of the State of Texas, which gives the State Parks Board special authority to issue evidences of indebtedness in payment of park site improvements, beautification, and equipment for such parks, by borrowing money from the Reconstruction Finance Corporation, United States Federal Agency, or any other person, firm or corporation for such sum or sums of money as is needed and upon such conditions as may to said board be advisable, bearing interest not to exceed six per cent per annum for the security of the payment thereof and to pledge the rents, revenues and income from such improvements, and, or any fees, rents and revenues from any other source

other than appropriations made by the State Legislature and in furtherance thereof may have full authority to make concession contracts of any kind or character which in the judgment of said Parks Board may be desirable.

Copies of these instruments are submitted to you for your files so you may have a complete record of the contemplated project, with the request that you pass upon such instruments as to their sufficiency and according to our agreement you are to submit to the National Parks Service these questions:

No. 1. As to whether or not the National Parks Service will set aside and spend funds on park projects upon which a state has legal title but against which a vendor's lien has been retained for part purchase price of the premises with the right of foreclosure against such premises within a period of years if not paid.

No. 2. To ascertain whether or not the National Parks Service will expend funds upon park projects where a state owning such park makes a charge for the entrance of individuals upon such premises.

It is understood that the State Parks Board wishes to develop this project by funds to be received through the Texas Rehabilitation Relief Commission for the development of this project by which they will contract to pay a sum of \$253,280.29, and issue a vendor's lien note as full payment pledging a part of the revenues from the concessions of said project for the payment, but grant a right of foreclosure against the premises if not paid within a period of years, and also expect to make a charge of from twenty-five cents to fifty cents per person to enter upon such premises.

It will be greatly appreciated if you will have passed upon this question by the proper authority at the earliest date possible.

Thanking you in advance, I am

Yours very truly,

(Signed) V. EARL EARP,
Assistant Attorney General.

Mr. Westbrook: I took up the question with Mr. Earp as to whether or not he thought that the prospective revenues would pay out the indebtedness of that tract and he said he had no idea as to whether

it would or not, that he had prepared—I think I have his letter here. The letter I wrote Mr. Wirth is as follows:

(Exhibit D.)

June 27, 1933.

Hon. Conrad L. Wirth,
Assistant Director,
National Park Service,
Interior Building,
Washington, D. C.
Subject: Palo Duro Park Project.

Dear Mr. Wirth:

Referring to our telephone conversation relative to the approval by this commission of the establishment of three emergency conservation camps in the Palo Duro Canyon on land deeded by Fred A. Emory and Millie Emory to the State Parks Board of Texas, copy of which is attached hereto, I wish to advise that we approve the establishment of these camps subject to the following understanding:

1. That you understand that neither the State of Texas nor the State Parks Board is obligated in this transaction for the payment of any of the obligations set forth in the deed of conveyance other than through rents, revenue and royalties to be derived from the operation of such projects.

2. That this commission has no information which would justify it in assuming that the rents, revenues and royalties and other receipts from operations would be sufficient to meet amortization charges indicated in said deed except a statement which has been presented to the commission by Mr. D. E. Colp, Chairman of the State Parks Board, which statement is said to have been prepared with your collaboration and that of Mr. Herbert Evison, and to have been approved by you and Mr. Evison as reflecting a reasonable expectation of net revenues.

It is the position of the commission that it is anxious to have these camps established in the Palo Duro Canyon and to approve their establishment, provided that this approval of the commission does not at the same time indicate approval of the method of amortization as referred to above and set forth in the attached statement. We have no opportunity to make and cannot in the short time remaining make the nec-

essary investigations to confirm the estimates submitted, but we are perfectly willing to rely on your opinion as to whether or not such estimates are reasonable.

It is desired to reiterate that Mr. Colp states that these figures were prepared in your office as the basis for his application from the R. F. C. Upon your decision in regard to the inadequacy of the amortization estimates referred to we base our approval of the establishment of the camps.

I am sending this to you by air mail special delivery with the request that you wire me immediately upon receipt of same as to whether or not you are willing that we should proceed to establish these camps under the conditions outlined above. It is necessary that we inform the Army without delay.

Yours very truly,

LAWRENCE WESTBROOK,
Director.

Mr. Westbrook (continuing): Mr. Wirth replied to that letter with a telegram.

(Exhibit E.)

D30 173 GOVT XU 1/140-G

Washington D. C. June 29 1933
Lawrence Westbrook

Director Texas Rehabilitation and
Relief Commission
Austin, Tex.

Relet twenty seventh Palo Duro Stop Reference our preparing figures upon which basis application RFC wish to state our work only summary of reasonable results based on basic data furnished by Texas Parks Board Stop RFC informed of this you should also be guided by above statement Stop If your recommendation for establishment Palo Duro camps still stands after reviewing above statement we will approve relocating camps in Palo Duro State Park and sites previously approved by President in other words State of Texas must assume full responsibility and not hinge approval these camps on effort made by us to cooperate with Texas State Parks Board Stop I make this statement for our main interests spending only two days going over Colps plan here in Washington was in spirit of cooperation with State of Texas we had merely data furnished by Colp and cut it down to what we believed

reasonable proposition wire whether you want camp or not Stop Your reply will not be considered as based on any understandings contained in your letter.

CONRAD L. WIRTH.

Mr. Westbrook (continuing): That is on the 29th. On the same date, all the time that was going on, we were having constant telephone conversations with Wilbur C. Hawk, T. E. Johnson—Mr. Johnson, I think his initials are T. E.—Julius Dorenfield and others in Amarillo who were interested in this proposition.

Senator Small: What misrepresentations did Colp make? Let's get down to that and have it down specifically.

A. Well, Mr. Colp had stated in the first place that these deeds were all in the bank in escrow.

Q. Well, the deeds were down in the bank, weren't they?

A. Yes, I know they were. I will have to go and get his application to get the exact language, Senator, but the point is that we had no knowledge that all of these conditions were in the escrow agreement. We did not know there was some obligation in there, at least I did and so did the National Park Board, but we did not know that building a hundred-room hotel and a hundred cottages and those things were in there, and so that is the reason I had them investigated.

Q. Why wouldn't you want to work in a park where there was to be that type of improvement, a hundred-room hotel?

A. We would like to have that but the parks board in that escrow agreement had obligated itself as a part of the contract to build a hundred-room hotel and a hundred cottages and furnish utilities. Our position was and still is that the Parks Board had no resources whatever to do that with. In addition to that they had to pay out of this money some three hundred thousand dollars which they had to secure from concessions and I had no reason to believe it could be done, in fact I doubted it very seriously. The land totaled \$25.00 an acre, which was extremely high for a tract of land in that section of the State and I didn't believe they could ever pay it out and I didn't want to take the

obligation of getting the Federal government to come down here and spend three or four hundred thousand dollars and then have Mr. Fred Emery come in later and assert his claims and get the benefit of the three or four hundred thousand dollars of Federal work. That is the reason we hesitated to approve the parks out there and I am not sure I did right about it yet, but I approved them after having received the assurance of those whom I considered the best citizens of the Panhandle, including yourself, Senator, that the project was worth while. I decided that you people who were on the ground were familiar with the situation and knew more about it than I did, that your business judgment on that project was better than mine could possibly be. So when I got your telegram, which I would like to read into the record, then I took the responsibility of approving these tracts, but until I got it I could not approve it because I did not think they could get the three or four hundred thousand dollars out of the concessions. I am sure it will work out all right because you gentlemen said so, just on account of the high standing of those who recommended it.

Q. It went through on the basis originally set up?

A. No, I don't think so.

Q. What changes were made?

A. The Attorney General completely rewrote the contract and left out the hundred-room hotel and the hundred cottages and these other matters. He rewrote the contract entirely.

Q. But that will probably detract from the revenues. If they have nothing out there but the barren canyon it won't pay out, will it?

A. I don't know. You had the proposition submitted to you out there when you sent me this telegram. I assumed you knew what it was.

Q. With the exception of the improvements the same situation prevails now as did then, does it not?

A. I am not sure, Senator. I didn't have—the Attorney General wrote that. I know he made considerable changes in the deed and the contract; he just said he ap-

proved it and when he said that it was all right with us.

Q. All right.

A. Senator, you asked me some questions this morning which indicated you thought there had been a contract perhaps on this thing in connection with the selection of the committee out there and I would like to read a telegram from the commissioners court, I have got it here somewhere, here it is.

Senator Small: Are you going to read that about the park?

A. Oh, yes. I had better finish that. This is the message that was sent to me at my request about the park.

Senator Collie: Mark it Exhibit "F" to keep it straight.

Chairman Purl: The time has arrived for the Senate to go back out of a committee of the whole into the Senate in order to determine whether we want to adjourn over or recess over until Monday. A motion was passed this morning that we go back into the Senate at 3:00 o'clock.

Senator Woodward: In order to keep the record straight I move that the committee of the whole stand at ease.

Chairman Purl: It will be a matter of but a few minutes, I am sure, and if there is no objection the committee will stand at ease. The time has arrived now to go back into the Senate.

The committee of the whole thereupon stood at ease from 3:00 o'clock p. m. until 3:05 o'clock p. m., whereupon the following proceedings were had:

Chairman Purl: Let us have order, please, and see if we can't work about an hour more. I believe we can get over a lot of ground.

Senator Sanderford: Mr. chairman.

Chairman Purl: The Senator from Bell.

Senator Sanderford: Since nine of the members will be away on an investigation and several others will not be here today and tomorrow, I for one have to be away, I want to be with the committee here if there is any session held. I therefore want to make a motion and get the consensus of opinion of those who are going to be here as to whether there will be any work of the committee

tomorrow. I would like to make a motion that the committee recess—

Chairman Purl: When they do recess?

Senator Sanderford: When they do recess this afternoon that they recess until after the morning call Monday morning.

Chairman Purl: The Chair is very anxious to get some work done this afternoon. As I understand it, the Senator from Bell wants to take a little straw vote. We can do that and the Chair will entertain a motion whether the committee will recess until tomorrow or whether it will recess until Monday morning.

Senator Sanderford: I make a motion now that we recess at 4:00 o'clock until after the morning call Monday morning.

Chairman Purl: Let us make it 4:30, when we get through this afternoon.

Senator Sanderford: I said 4:00 o'clock because some of the members will have to begin getting ready to leave.

Chairman Purl: All right. The motion has been made that the committee of the whole recess at 4:00 o'clock this afternoon until after the morning call Monday, that we stay here until 4:00 o'clock.

The question was put and the motion prevailed.

Chairman Purl: Proceed.

Colonel Westbrook: I was preparing to read a telegram which was sent to me at my request as a condition to get the approval of the National Park Service for the Palo Duro Canyon Park camp. The telegram is dated June 29, 1933, 7:00 p. m., Amarillo, Texas (reading):

"Col Lawrence Westbrook
Director Texas Relief and Rehabilitation Commission
Austin Tex

We the undersigned citizens duly assembled have carefully reviewed the tentative study of a financial set-up for the Palo Duro Canyon State Park of Texas as prepared and certified by D E Colp chairman Texas State Parks Board in collaboration with Mr Herbert Evison secretary for the National conference of State parks and Mr Conrad L Wirth assistant director National parks service carrying an estimate of operation charges and anticipated revenues Stop

This is the same estimate that was presented to Reconstruction Finance Corporation in conjunction with the loan granted to the Texas State Parks Board on the Palo Duro Canyon project we believe that the estimates are conservative and that this project augmented by four civilian conservation corps camps working six months on this twenty one section park will undoubtedly be successful and self liquidating Stop We do urgently recommend to your commission that this project be afforded your approval and hearty recommendation to the President of the United States immediately Stop We earnestly request that your commission recommend to Mr Conrad L Wirth assistant director National Parks Service that the Palo Duro Canyon State Park be included in the next allotment for four civilian conservation camps on this project Stop We unqualifiedly recommend that you endorse and recommend this project for immediate allotment and in our opinion the revenues will probably exceed the estimate which we deem entirely conservative Stop In our judgment revenues will be sufficient to take care of all amortization charges we approve without qualification the estimate above mentioned we have no personal interest in this project and we fully understand entire set up including cost of land method of purchase and the Attorney Generals opinion and plan of amortization we base our judgment upon such knowledge and unqualifiedly endorse the entire transaction as being to the best interest of the State of Texas and we believe beyond reasonable doubt that payments will be made when due and that this land will never revert to vendor Stop Again we unqualifiedly recommend this entire project

Clint C Small State Senator S P Matthews county judge Armstrong County L M Fisher Amarillo C R Burrow mayor of Canyon L P White of Claude E A Simpson of Amarillo T E Johnson chairman Citizens Palo Duro Park Committee Clyde W Warwick editor Canyon News S B Orton county judge Randall County Texas Wilbur C Hawk general manager Amarillo Globe News Ross D Rogers mayor of Amarillo Gene Howe editor Amarillo Globe News J D Guleke

Julius Dorenfield Jr Amarillo Halmond K Stanfield Rep 123rd Dist Chas T Ware Amarillo W H Fuqua Amarillo J H Paul Amarillo."

Based upon that telegram, from those outstanding citizens, I called Mr. Wirth up and told him that we approved the camp, and then confirmed it with a letter. I thought I had a copy of the letter here, but anyhow that was the basis of the approval for the Palo Duro Park.

I would like to invite the attention of the committee to the fact that the date of that telegram is June 29th, and I then would like permission to read into the record the following telegram which was received on June 20th. This is Exhibit "G." June 20th, 1933, 12:37 p. m.

"Amarillo, Texas.
Hon. Lon Westbrook,
Austin, Texas.

The commissioners court of Potter County have approved the following named gentlemen for relief committee for this county: J. O. Guleke, Julius Dorenfield, L. M. Fisher, H. E. Fuqua, W. J. Kelly.

J. M. Simpson,
County Judge, Potter County."

Senator Small: All right. Right there, those boys that were supposed to stop at Amarillo had gone through there, hadn't they?

A. Yes.

Q. Do you know anything about my coming to Austin with Mr. Julius Dorenfield following a telephone call coming from Austin to Amarillo telling them who to put on the committee in order to get this thing straightened out down here?

A. No.

Q. You don't know anything about that?

A. I know that camp consideration never entered into my head, I mean the committee consideration didn't enter into my head.

Q. Do you know anything about, just before this camp, that is up there now, was ready to move in, there was a question arose about those two men Guleke and Fuqua that were left on that committee, there was a question arose about that?

A. No.

Q. And that the commissioners' court refused to take them off and

then the question was raised as to the water supply we had out there at the camp?

A. No, Senator, I don't know anything about that.

Q. Immediately after that we told you that we would take Fuqua and Guleke off the committee and there wasn't anything further heard about the water supply?

A. No. The Commanding General of the Eighth Corps Area was not trying to get anybody put off of the committee. He had full control of the camp.

Chairman Purl: Proceed, gentlemen.

A. I think it was a coincident.

Senator Small: I think it was somebody down here that knew what was going on.

Colonel Westbrook: I have here the name of the bonding company, Senator Woodward, that you asked me about.

Senator Woodward: All right.

Colonel Westbrook: New Amsterdam Casualty Company.

Q. Is that a foreign or a Texas corporation?

A. I don't know. He didn't put his address on here. Baltimore, Maryland.

Q. Now, in connection with that, Mr. Westbrook, were those premiums paid out of State funds or Federal funds?

A. Federal funds.

Q. I have before me, Mr. Westbrook, a statement of disbursements for August from appropriation "R-12721, Texas Rehabilitation Relief Commission, warrant No. 206866, Eugene T. Smith, bond premiums \$79.62."

A. I guess the State employees were paid—those who were paid by the State, were paid by the State.

Q. The other employees were paid out of the Federal funds?

A. That is right, I had forgotten about that.

Senator Woodward: I believe that is all.

Senator Rawlings: Did you provide any other kind of insurance bond except the ones that Mr. Smith—

A. No, that is all. It is just surety bonds to protect against fraud or embezzlement.

Senator Moore: Is that a requirement of the Federal government?

A. No, it is not required. We do it.

Senator Stone: Mr. President.

Chairman Purl: The Senator from Washington.

Senator Stone: Mr. Westbrook, who is Fred A. Emery?

A. I don't know Mr. Emery, I understand he lives at Kansas City. He was down here quite a while during the time that this thing was up, but I had never met him. I understand that he lives at Kansas City. I don't know him.

Q. Was he the owner of this tract?

A. I think he was the owner of the land. I am sure he was because he signed the deed as one of the vendors.

Senator Rawlings: I want to ask one or two questions about this Tarrant County situation.

Mr. Westbrook, I believe your telegram states that the City of Fort Worth paid \$3,000.00 administrative expense?

A. Yes, sir.

Q. What items went into the making up of that \$3,000.00 What did that cover?

A. I don't know; I didn't ask for that. It is a part of the expense of administration, of the aggregate funds.

Q. Well, do you know whether or not that fund included salaries paid employees?

A. Oh, yes, I am sure it does.

Q. Do you know how much?

A. No. I didn't ask for that. I was trying to get the value; I wanted to get it by telegraph so I just asked him to give me the full amount of the administrative expense paid by the city and county.

Q. I don't quite understand that situation. It seems that we have got three agencies in Tarrant County to administer this relief?

A. No. Well, they are paid by the city and county. They are doing it under the Tarrant Board of Welfare Employment.

Q. What jurisdiction does your welfare committee have over funds being expended by the city of Fort Worth?

A. For that purpose they have full jurisdiction just like they would turn over all the Federal fund.

Q. You mean to say that the City of Fort Worth turns over to your agency there those funds that they are spending?

A. That is the understanding.

Q. I believe a telegram from Mr. Flickwir to you states that the committee spent about \$14,900.00; that the county spent about \$78,000.00 and in addition to that \$7,800.00?

A. Yes, sir.

Q. Do I understand from you those funds were turned over to your board in Tarrant County?

A. I don't know that they gave a check for it; they make certain allocations for relief; I don't know whether it went out to individuals, or whether it was turned over to Doctor Flickwir, whether he disposed of it.

Q. Do you know where the City of Fort Worth got this \$14,000.00 that they spent?

A. They have an appropriation for that purpose, an annual appropriation.

Q. It is your understanding it comes from that source?

A. Yes, sir.

Q. You don't know what percentage of this \$3,000.00 administrative expense was spent for paying employees engaged in that work?

A. I assume practically all of it because they don't have any other administrative expense.

Q. Do you know whether regularly appointed employees of the city were handling it or whether they had a new crew working up there?

A. I think this is the first month we have had any administrative expense at all in Tarrant County. The city and county handled it all, I think, until this month. Is that correct, Mr. Donnell?

Mr. Donnell: I think it is.

Q. You mean August is the first month that Federal funds have been spent for administration expense in Tarrant County?

A. I think that is correct. It is very small.

Q. Has that been generally satisfactory?

A. Yes. Of course, like every place where they have an administrator there has been some.

Q. Do you know whether they have facilities there for doing that work without cost to the State and Federal Governments?

A. Yes, they have set up administrative machinery in Tarrant County that they don't have, so far as I know, anywhere else in the State.

Q. Do you know of any objection to that plan, Mr. Westbrook, if these

other cities in Texas could furnish administrative agencies without cost to the State and Federal governments?

A. I think it would be a fine idea if they could do it. I think the Federal Government would approve it; I don't know whether they would or not. I think it would be a fine idea.

Q. Have you ever had any communication from the Federal Government that they would not approve it?

A. Yes, they have said that they reserved the right to approve or disapprove any employees that are handling our funds. I assume that they would want to carry that down through. Now, they might approve it, I don't know.

Q. What I mean is have you had any specific indication from the government that there is any objection to such agencies as they have there in Fort Worth?

A. No. As a matter of fact, I think they are satisfied with the Fort Worth agency, generally speaking.

Q. Well, could not similar agencies be employed in other communities?

A. Yes.

Q. Why hasn't it been done?

A. I don't know.

Q. Well, aren't you in charge?

A. No.

Q. Who is?

A. The people who run the various cities. I didn't start the Fort Worth proposition. Your city council there put that in.

Q. Well, I mean as director of this Rehabilitation and Relief Commission which I understand now has charge of the responsibility of spending the Federal funds?

A. Yes.

Q. You would have authority, wouldn't you, to say whether or not those agencies could be used without additional expense?

A. Yes, I could, but we have a law which sets up a board in every county, which is about the same proposition; they perform the same functions; it would be a little different. It would mean about a million five hundred thousand dollars a year if you could get the cities to pay the expense.

Q. Has there been any effort to get any local agency to administer

these funds without expense to the government?

A. Yes, I have tried to get these cities to put up money in the past, not since the Federal relief administration issued its rules about public agencies instructing us how to set up those agencies in the various counties of the State. We have endeavored to get the counties to bear a part of the administrative expense but we haven't gotten very far.

Q. What efforts did you make, say in Dallas, to get the local agencies to bear the expense?

A. Well, in Dallas, it bore a part of the expense, but the set-up was not satisfactory to us nor was it satisfactory to the Federal Government.

Q. What is wrong with it?

A. Well, there are many things.

Q. Well, name some of them. All I want is information. I am not criticizing anybody. I want to see if there is any sum to be spent that this money is given out without incurring too much expense.

A. Well, we are not satisfied with the methods used in Dallas, where they had a dual management of commissaries, at responsible places.

Q. Did you communicate those objections to anybody in authority?

A. Oh, yes, we are trying to get it worked out there.

Q. At whose request?

A. At their request. They say they can't handle it any more.

Q. By "their request" you mean the City of Dallas?

A. Our conversation has been with Mr. Edy, city manager.

Q. And he has requested you to take it away from the City of Dallas entirely?

A. Yes, sir.

Q. What agency are you using now in the City of Dallas?

A. The county board of welfare and employment.

Q. I am not talking about that. I am talking about some agency in Dallas or Dallas County that you could secure without cost to the State and Federal Government.

A. I don't think it can be done.

Q. You don't think it can be done?

A. No.

Q. Who did you discuss it with?

A. Mr. Edy.

Q. Is he the only person you have discussed it with?

A. The system of distribution that has been decided upon by the Federal Relief Administration is most effective and where they have got it they are using it. We are operating under a law which was already passed, which made definite provision for the setting up of county boards of welfare and employment, and unless there has been some good reason we have gone ahead with the idea of complying with this law, this State law.

Q. Now, is there anything in the State law that prevents you from using these volunteer agencies in communities like Dallas?

A. I know of nothing in the State law which prevents us from using volunteer agencies but there is something in the Federal law.

Q. What is that?

A. Well, it is just a provision that prevents us using them. We just can't use them. It states that those funds shall be expended by public agencies and not by private agencies.

Q. Isn't it a fact that in nearly every town in Texas there is some reliable public agency which may be obtained practically without cost for this work?

A. No, Senator, there is not.

Q. You state that authoritatively?

A. Yes.

Q. What investigation have you made along that line?

A. I know it can't be done. I know of no counties where it can be done without cost. It is that provision in the Federal law that prevents it.

Q. If a reliable agency should come to you and offer to do that, will you accept the offer of that agency?

A. I don't know. I would think about it. I don't think the Federal Government would accept it.

Q. Why wouldn't it?

A. I think if they adopted the policy of turning—I don't know that they have adopted a rule, I think they have adopted a policy of not turning over their funds to any elective administrative agency.

Q. Do you have anything that you can show us as authority for that policy?

A. Well, I know that is the policy. I think no letters have been

written; I have no written statement to that effect.

Q. Well, who did you get your recommendation from, Mr. Williams or Mr. Hopkins or Mr. Ickes?

A. No, Mr. Ickes has nothing to do with it. Mr. Hopkins is head of the Federal Relief Administration. I got it from both.

Q. You don't think the Federal Government in Bexar County would approve the commissioners' court handling that free of cost but prefer to pay \$18,000.00 a month for that service?

A. Yes, I think they would, because they would want to see how it should be administered. That is an opinion I am giving you, that is all I can do.

Q. Are you able to state now as your opinion that there is any objection to using the commissioners' courts in any of these counties?

A. Yes, it is my opinion that there would be.

Q. That objection would come from whom?

A. I think it would come from Mr. Hopkins.

Q. What is the basis of that objection?

A. I don't think they want to turn these funds over to elected officials for distribution in the political subdivisions of the State. I think that the basis of his objection would be that.

Q. What indication have you had that that would be the objection?

A. Well, I have discussed the matter with Mr. Hopkins, not particularly commissioners courts, but the general policy of administering these funds and I think that would be his attitude, Senator.

Q. Do you base that statement, Mr. Westbrook, on anything said to you about it?

A. Yes.

Q. What is that?

A. Well, he said the local administration of these funds ought to be removed as far from political influences as possible.

Q. Well, do you think that has been done?

A. Well, I think we are making some progress along those lines.

Q. Mr. Westbrook, do you know, as a practical matter, you can't get politics out of this?

A. It is awfully hard sometimes, I know that.

Q. It is just a question of whether you are going to use appointive politics or elective politics?

A. Yes, I am sure wherever we have got political affiliation we have got to use politics.

Q. Do you know of any other objection that Mr. Hopkins may have had?

A. Yes, I imagine he would probably say the commissioners' courts have had very little experience in matters of that kind.

Q. How much experience have those fellows, that you appointed up there in Tarrant County, had in this work?

A. They have had very little, but this is what we told them, the people that you employ to handle these funds, wherever the commissioners' court did it without cost that we wouldn't have anything to say about who they employed, how they disposed of it or anything else.

Q. Mr. Westbrook, if my commissioners' court offers to handle it free of charge, and let your welfare board supervise the work, would that kind of an arrangement be satisfactory with you?

A. Well, I don't think the Federal Government would approve it.

Q. Why wouldn't it?

A. I don't think they would. I think they would do this, Senator. I think they would take the appropriation from your commissioners' court and turn it over to the County Board of Welfare and Employment. They would like to have the County Board of Welfare and Employment selected separately from the commissioners' court.

Q. I am not trying to argue the question with you, Mr. Westbrook, I am trying to get some information.

A. I am trying to give it to you.

Q. I want to ask you if in your judgment it would be possible to have these funds, which are now being turned over to the board selected for Tarrant County, turned over to the commissioners' court, and if necessary they could give a bond to the welfare commission or whatever you call it, that they might serve better those who are entitled to relief, on some specific projects, if the commissioners' court is willing to furnish tools and all that kind of stuff to do the work

without cost to the State or Federal Government? Would that kind of a set-up be satisfactory to you?

A. I think that is very fine if they want them to do that, if they will permit these welfare boards to select the employees who are case workers and people who investigate families.

Q. If we let you certify to us a list of people who need work, need relief?

A. These people, Senator, check upon the eligibility of families for relief; that is the major expense, the major administrative expense.

Q. You don't think that kind of an arrangement could be worked out with the commissioners' court or any other agency whereby you could save some money?

A. Yes, I think some kind of an arrangement can be worked out.

Q. Is a plan such as this better than the one you are operating under now?

A. I don't know. My idea is that the bill was written backwards.

Q. How would you change it?

A. I don't know. I think the commissioners' court or some agency ought to nominate the board members.

Q. We are going to correct that situation for you now if you think it is necessary. We want to get the benefit of your knowledge.

A. It is hard, Senator, to pick the right men away out in the country, living a long way from here.

Q. Do you recommend that this present law creating the Rehabilitation and Relief Commission should be so amended that the members can be recommended locally?

A. Yes, I think it would be a very good amendment. I think it would be a very good recommendation. I think they ought to be nominated locally.

Q. Do you have any other suggestions, strike that. Would that manner of selection also include these district men and inspectors?

A. These administrators, I would like to have them selected by somebody who knows a little more about them—about the technical part than the local people might know, then to submit it to the local people for approval. The way we have been doing it, we have been making inquiries locally to find if any local

man has had experience along those lines. We have suggested to them rather off-handed and have tried them out, but I would be a little bit afraid of putting it into law that these local committees would choose the actual administrative personnel without any other checks on it because there will be too much chance of approving some pretty good fellow who couldn't do that particular job.

Q. Do you have any other recommendations to suggest for improving this administration?

A. Well, I would be glad to make a statement, but it is a little bit difficult to talk extemporaneously. There are a lot of things, I know, that can be done to improve it, but I don't know whether they can be included in the law.

Q. The cost is running now about one hundred and thirty thousand dollars a month?

A. Yes, sir.

Q. For both State and Federal funds, some part is paid out of State funds and some part is paid out of Federal funds?

A. Yes.

Q. What do you estimate would be the cost during the winter months for that administration?

A. I have, Senator, covered that in another section. I think it would be worth while for the Senate to go into that. That is Section III.

Q. We have not gotten to that section?

A. We have not gotten to it yet. It is quite extensive.

Q. What section is that in?

A. Section III.

Q. What section are we working on now?

A. We are working on Section II now.

Q. Section II?

A. Section II.

Q. Now, Mr. Westbrook, does this report show what expenses were paid out of the State fund and out of the Federal fund?

A. The auditor's report.

Q. I mean this report you filed with us.

A. I mean the auditor's report. It is another section.

Q. What you mean is the report which was filed in response to the resolution?

A. Yes, but that you have in

your hands was not the report which was filed with the committee; there is another section which was the auditor's report.

Q. In that auditor's report, does that give a detailed accounting of the moneys spent from State funds?

A. Yes, sir.

Q. How many copies of the auditor's report have been filed?

A. Three.

Senator Woodward: Where are those?

A. They are here, we filed three with the Secretary of the Senate.

Senator Woodward: Mr. Chairman, I would like to have one of those.

Chairman Purl: Have you a copy?

Colonel Westbrook: This is my copy here.

Chairman Purl: All the reports, as I understand it, are probably in the reporters' room.

Senator Rawlings: That auditor's report was filed in response to the resolution together with the other reports which have been filed and that is Volume No. 2 that you have there?

A. We have four sections in the report that we have here and there are several sections in each volume. There are five sections altogether. You have Sections 1, 2, 3 and 5 and this is Section 4. Section 4 was too big to get in there and we had to take it out.

Q. Those two volumes together makes the complete report?

A. Yes, sir.

Q. Is it germane at this time to inquire what the estimated amount of bonds to be issued will be?

A. That comes under Section 3 and is fully discussed.

Chairman Purl: Who is the auditor?

A. George R. Donnell.

Q. Does he certify to it as an accountant?

A. It is not an audit, it is just an auditor's report. It is a report of information. It is not an audit report but it is an information report.

Q. Then it is not filed as an auditor's report?

A. It is a report of the auditor, made by the auditor but is not classed as an audit.

Senator Rawlings: We are inter-

ested in knowing what kind of program this money may be spent on.

A. That is contained in Section 4.

Q. Mr. Westbrook, do you know whether or not—do you know what plans are made regarding the Federal Government's idea of what the Federal Government has laid down as a requirement for matching the funds that come out of the bond issue?

A. Yes, I have a copy of the requirements that they made and I went over the matter with them and they agreed to match us dollar for dollar.

Q. What are the conditions?

A. The conditions are that the government's funds are disbursed in accordance with the rules and regulations of the Federal Relief Administration. That is the general condition. They also have agreed to furnish funds to take care of the transient load in Texas, which is quite heavy, and to take care of the re-employment situation in Texas.

Q. Can you furnish to this committee the requirements of the Federal Government in respect to this matter?

A. I can give you the memoranda that I presented to Mr. Hopkins and Mr. Williams.

Q. Is that included in this report?

A. No, sir, but I will be glad to furnish that.

Q. Will you do that?

A. Yes, sir.

Q. And under that will you set out the conditions that have to be met to comply with the requirements of the Federal Government?

A. It is simply a memoranda setting forth these conditions in very brief form which Mr. Hopkins and Mr. Williams confirmed.

Q. Is Mr. Williams still in town?

A. No, sir, he has gone to Mississippi, I think.

Q. How many states does he have under his jurisdiction—how many states does he cover?

A. Six.

Q. Do you suppose he would be available to come here and give us such information as we might require?

A. Yes, sir; when he left here he authorized me to say that he would return and be glad to give any information or assistance he could.

Q. Does he have the authority to tell us what we most do in order to get this Federal money?

A. I understand that he has full authority to speak for Mr. Hopkins.

Q. He could tell us definitely and officially just what will be necessary for us to do in order to get the funds from the Federal Government to continue this work?

A. Yes, sir.

Q. Do you know where Mr. Williams is at this time or how long it would take to get him here?

A. He could get here, I think, within forty-eight hours. I would be glad to ascertain where he is and find out whether or not he could come here at the time you might desire him.

Q. When are we going to get on these other sections—

Chairman Purl (interrupting): Are there any other members of the committee who desire to ask any questions covering this particular matter?

Senator Small: Mr. Westbrook, I do not know what the other members of the Senate are interested in but I, for one, am interested in seeing this money spent for work; but it seems to be a little bit out of fashion. Would you mind between now and Monday formulating a short statement as to the value that we can get out of this money as a work program?

A. I think I have that pretty well covered in this section, Senator. Heretofore it has been the policy—it has been handled by the political divisions. That is, according to the rules of the Reconstruction Finance Corporation, but there has not been any uniformity about it and very little system. But in the spending of this money there has been some very valuable work done by some counties and we have made a survey of the State and asked every county to report to us what further expenditures they expect to make on this work program in order that we may have a more definite program.

Q. Don't you think that it would be better for the Federal Government and the State to put these funds in the hands of some working agency of the State and merely call upon your commission to furnish the labor and let them put them to work on projects that are connected with

some civic improvement and let your commission have full supervision over this work?

A. No, Senator, I do not think that would work at all. I do not think it is possible to administer relief that way; I do not think it would go at all.

Q. Don't you think that we had rather have work than relief?

A. Yes, but there are so many factors that go into that besides just hiring the man for the job. I think I can convince you to my way of thinking and I think before I get through with this matter I will do so.

Q. You may be, but I do not think so.

A. I do think, however, that we ought to make a greater effort to get a greater number of men to work and get better use of these funds than we have in the past. However, when you put people to doing useful work on these things—that is, to the amount that will be necessary to relieve the unemployment situation, you are going to keep some fellow out of work who would have gotten that work out of that job. Suppose you are going to build a sewer system in Amarillo and it requires twenty thousand men months to build it. The City of Amarillo is going to build that anyhow and it is going to give work to twenty thousand men for one month. That is a useful project and it is desirable for the City of Amarillo and it is something that the City of Amarillo is going to do. Well now, if you are going to build it anyhow some of these twenty thousand are going to be put on that project—but if you take this relief fund to build it then some of these twenty thousand men would have gotten this work and you have just aggravated this work situation; furthermore, the work progresses per se while they go into this work.

Q. In other words you want to work them on projects that are not useful?

A. Not immediately necessary—there is a line to be drawn and it ought to be.

Q. Suppose the City of Amarillo wanted to build a sewer system, which they cannot. They are busted, I know that.

A. If they wanted to do it and

you can get the material, we can supply you with the men who need the work in Amarillo and we would be glad to supply you with the labor for that type of work.

Q. Don't you think that if they are going to do the work that it should be a class of work that will serve some useful purpose before this money is expended by the Federal or State Government in order to relieve this unemployment situation?

A. No. I think we are charged with the responsibility of administering relief. It is almost impossible to do it unless we are given the wherewithal to administer it. You know that everybody that is on the relief rolls cannot work. A great majority of them are physically unable to do any of that character of work, especially among the white people. The negroes and Mexicans form a somewhat different class. Before we get through with this investigation I am going to ask a man who is posted on this relief program to testify before this committee. He is extremely well informed on this matter and I am going to suggest that you give him a hearing. I thought I was going to get to this section as it bears on what you are talking about, Senator. I have a letter that I will bring in here tomorrow or whenever it is convenient for you in regard to the situation in Fayette County. In that letter they had a request for laborers on a project that would employ a hundred and forty-three men and they got all of these men from our agency there. We were only able to give them out of the one hundred and forty-three men that they employed, we were only able to give them thirty off of our relief rolls. The rest had to come from somewhere else. The rehabilitation program is going to help this situation some but it is not going to help it near as much as you might think it is. You see we have a three billion three hundred million dollar emergency work program and they are the people who are actually going to get these jobs. These people are the ones who have to go on the relief roll; they are the ones that haven't been strong enough to hang on and they are not going to be re-employed because employers are not

going to pick them. It is a tragic thing and we might as well face it. It is sad but true. I know how earnest you are about this thing and your ideas about it are going to be based on this evidence that will be submitted here and then I think you will change your mind, at least I hope when all of this information is put before you you will change your mind.

Q. Then based on the statements that you have made, you do not think there is any way of changing it up and putting people to work?

A. It will help some but I think that you will find that there is a great deal more to the thing than you seem to think at this time. We are going to have to rehabilitate a great many of these people before it will be possible for them to do any work.

Q. Don't you think that these social service folks running about over the country and doing so much talking are really aggravating the situation rather than helping it?

A. I think that is true and every day that we delay in giving a real constructive program of relief we are aggravating the situation. I think it is imperative that we adopt some policy that will get as many people off the relief rolls as possible and put them to work. The N. R. A. will not do that.

Q. Then if Potter County had an intelligent work relief program that would absorb this quota that we have on these relief rolls you do not think it would be feasible to get them off the backs of the general public and put them to work?

A. I think you will find in Potter County as we find in other sections of the State that you will find a large percentage, I will say, of your relief load, in Potter County cannot work because they are physically unable to do so. In many instances in other sections of the State and I am sure the same condition prevails in Potter County they do not have a single member of the family who can work. But I am going to submit to this committee some figures that are based on doctor's examinations and bring that out as has been done in one of the larger cities of the State.

Q. Who took care of those people a few years ago?

A. That is an interesting question and I bring that out in this brief and

you will be glad to see it. This crowd of people come from that class of people who before the depression had a little bit of money, maybe a few hundred dollars or maybe a few thousand dollars saved, and they were not regularly employed and when the depression came on with the little money they had and what little work they could secure they were able to get by for quite a while but the depression swept away their little savings and in many instances failures of businesses in which they were interested and in some instances failures of banks placed them in this class. There is a tremendous number of those people. There is another crowd of people every year graduating into this class of helplessness. They are getting too old to work and in the course of events those people will have the earnings which they have accumulated in years gone by, and the little assistance which they had been given by other members of their families—would have been able to have retired and met death in peace and comfort. We have another very large body of people made up of Aunt Sarahs and Sister Janes that we cannot take care of any more that were formerly supported by their relatives.

Q. That is especially true, is it not, since it has been found out that the government will care of those people?

A. Yes, some probably would have held on and carried on for quite a while longer.

Q. When people find out that the government will do this there are always plenty of people ready to turn loose or stop the contributions they have been making to the support of their relatives?

A. There is no doubt about that being true.

Q. In other words we have developed a kind of parasitic existence and it is going to be necessary to go on feeding this type of social parasite regardless of conditions?

A. No, I do not think so. I think possibly quite a lot of this has been relieved already but until something can be done in many instances to relieve their physical condition if work were presented to them at this time they would not be able to do it; it is going to be necessary to relieve their physical condition before they will be able to take care of them-

selves. Just at this time we are not doing that.

Senator DeBerry: A while ago on the question of those bonds you say you wrote a letter to the county administrators asking them to turn in a list of all employees that were disbursing money or goods?

A. Yes, sir, I will get a copy of that letter for you.

Q. I would like to have it. I also want to know how many people we are going to pay bonds on.

A. I do not know, Senator, whether I can give you that information or not. I do not know whether that has come in or not. That is not incorporated in the report which we have made. I do not know whether the bonds of these county administrators and others is to be paid by us out of the administrative expense or whether the premiums will be paid by the Federal government.

Senator Woodward: Just examine your auditor's report and I think it will show that those premiums were paid out of State funds.

A. I did not so understand it.

Senator DeBerry: We have no fight to make in this State with respect to trying to go into different parts of the State and help those who are deserving of help but what I am trying to find out is in regard to the cost of administration. What I do not understand about it is if a person is worthy of having relief administered to him why those that work in the administration of this relief should also be on the relief rolls. I gather from the interrogation by the Senator from Coleman that some of these parties in Tom Green County are drawing fifty to sixty dollars per month salary and then in addition to that are drawing ten to fifteen dollars per month from the relief rolls—are those the people that you are going to put under bond?

A. Yes, sir, if they handle money or goods.

Q. Are they going to be bonded if they handle groceries?

A. Yes, sir.

Q. Then in Bexar County if they had two hundred to two hundred and sixty employees that were either handling packages or goods—distributing groceries or supplies, those two hundred or two hundred and sixty employees would have to be bonded?

A. Just comparatively few are

doing that, Senator. The great majority of them are case workers whose work is to investigate people who are in need of relief.

Q. They do not ever disburse any food or material or carry these supplies to them?

A. Whenever they do, Senator, it would be necessary to have them bonded.

Q. Mr. Westbrook, if you extend that policy to all of these who are handling those goods and materials, and as you have stated heretofore that is a vast amount of people, it would require the bonding of a large number of people, would it not?

A. Yes, sir, but we have so far never done this, Senator.

We have bonded only the County Chairman—the chosen man in each county whom the county administrator desired to have placed under bond and in some instances it has been determined that the county chairman did not want to take the chance of having these disbursements made without having those responsible for it placed under bond and it is our idea to have the county chairman indicate whom he desires to have placed under bond. If we do not do that our county administrators are going to have to protect themselves from their employees so we are trying to get a blanket bond that will cover the whole shooting match.

Q. Now I want to ask you again along the line of Senator Small and I am going to ask questions based upon observations in my district. The problem in my section of the State may be different from what it is in other sections. But the people in my district are largely white people; it is largely a farming and agricultural section and there is nearly always people there who are in such condition that they are able to work if anybody would give them the work: Now, then, if you pay them out of this relief fund \$2.40 per day for an eight hour day to piddle around cutting grass and weeds and we are only able to pay them about 50 cents per hundred for picking cotton—and these men who are receiving relief from your organization get \$2.40 per day two days out of the week for doing practically nothing, how is it going to be possible for us—for the farmers in my section of Texas to get men to go out

in the cotton patch and pick cotton when we can only afford to pay them fifty to sixty cents per hundred pounds?

A. Nothing was said about working them two days out of the week and paying them \$2.40 per day.

Q. How do you expect to eliminate those who will not work when the work is offered to them if that practice is continued—it looks to me like instead of rehabilitating those folks you are debilitating them.

A. Here is what we think we ought to do—what we try to do in these cases where work is offered to the individuals and they will not accept it. We set up these employment agencies and if anybody desires cotton pickers or laborers of any kind or any kind of work and make their wants known to this agency those who are on our rolls are offered this work. If they decline to accept this work, say they do not want to pick cotton, then we say to them that if you are not willing to pick cotton or are unwilling to accept the kind of work that is offered we do not feed you any more. So far we have been successful where that practice has been followed. I would like to say to you, Senator, that in a great number of instances we have gotten a lot of families off our relief rolls by following this practice. I think we have gotten something like 45,000 families off the rolls in Texas.

Q. That policy has not been carried out in my section of the State. It has gotten to the point in my district that you cannot get any cotton pickers and as long as that condition prevails I do not see that any real relief is being given?

A. I would like to say this that if somebody comes up and offers employment to any on our relief rolls and they decline to do that kind of work he will get off our rolls at once unless he is willing to go out and pick cotton when it is offered.

Q. That may have been the idea and the intention, but over at home I know when we started picking cotton our folks were only able to pay about fifty or sixty cents a hundred for cotton picking and the people were on the relief rolls over there would not work for that when they

could get \$2.40 per day from the relief association.

A. We have taken 955 families off the relief rolls in Red River County.

Q. You certainly did not have them off the rolls last fall when we were hunting cotton pickers?

A. We are just beginning to get that part of our work straightened out but we have endeavored to eliminate all of these parties who would not accept work when it was offered to them if they were physically able to perform the work.

Q. Do you think it is conducive to good morals and the elevation of society and I dare say to the independence and freedom of our people to pay a man \$2.40 a day to cut weeds eight hours per day and say to a farmer—when a farmer cannot pay one dollar per hundred for picking cotton that he is already broken trying to raise but can only afford to pay fifty or sixty cents per hundred pounds for picking that cotton—do you think that is conducive to good morals and good citizenship?

A. I do not know, Senator. As a matter of fact we got the order to do that from the Federal Emergency Relief Administration and it is a part of the National Industrial Recovery program and that is all I know about it.

Q. I am going into this and talking about it as I am and trying to develop it because it is a serious thing.

A. I think it is very serious, Senator. I do not know whether it is good policy or not.

Q. You would not say whether you thought it was good policy for the public—for the government to pay \$2.40 per day and expect nothing in the way of useful work—something that will ruin a man's self respect and unfit him for future work—you do not feel that that is a good constructive public policy, do you?

A. Here it is; the general N. R. A. program is primarily for the purpose of raising wages. If the government extends relief and pays so much per day, for it to be consistent from the standpoint of paying better wages if the government did not attempt to raise the standard of wages that I think would be in-

defensible. I will have to admit to you that I am one of those people to take the position that nobody ought to have to do a day's work for a dollar or a dollar and a half. I would like to see the day come when we would see a minimum basis of all workers raised up to at least \$2.40 per day and when that time comes everybody will then have plenty of money to spend.

Q. If the people who have to work now for a dollar a day and for the past two years they have not been able to make that much I would for you to tell me, if you know, what government is responsible for that if not ours?

A. I think that the government recommends and realizes that it is its responsibility and recognizes the fact that is responsible for the conditions of that kind or at least has a great deal to do with them and that is one of the reasons why they require that we in these days pay higher wages.

Q. Where does the government get the money that they are going to pay these higher wages with?

A. Of course it is all taxes.

Q. That man who gets a dollar a day is the man who is going to pay the \$2.40 per day for the man that works for the government.

A. The dollar a day man does not pay much of it.

Q. I do not know anybody in my county—they are not many people in my county making very much money farming.

A. It is hard to get at a problem of that kind; it is a hard situation and it is going to require considerable time to get back to the standard of wages that prevailed four or five years ago.

Q. The question was raised with respect to eliminating the practice set out of employing these people who are able to work and who are now on the relief rolls on work that was not necessary to be done at this time. It does not seem to me that it would be good policy on the part of the Federal or State government to have men engaged in a line of work for which there is no immediate need when the same men could be employed in some useful work and be paid for an honest day's work. It seems to me that one thing

that we need to learn is that a man must do an honest day's work for an honest day's pay. Why don't they spend this money or permit this money to go into some useful work or for some useful purpose—why do not they let them build lateral roads with it?

A. They will let them build lateral roads with this money if they are roads that would not be built in the near future.

Q. You mean to say that they would let them use this money to build lateral roads for which there is no necessity or roads that are not necessary to be built at this time?

A. Yes, sir, for roads that do not require to be built in the near future. If these roads are going to be built within the near future and in the building of these roads they would utilize the services of people who are not now on the relief rolls, of these roads were built with these funds and those who are on the relief rolls were utilized for this purpose it would prevent the use of people who are now not on the relief rolls from obtaining this work.

Q. How are the counties going to keep up with its other expenses with taxes delinquent to the extent of fifty per cent and a decreased valuation of twenty-five per cent? How are they going to keep up with their other local road work?

A. That is a hard problem.

Q. Then can you give me any idea how they can get the money to build these lateral roads for which there is no immediate need?

A. We have built and we have also authorized the use of these funds when in the judgment of the local commission and the commissioners' court they would be put on work that would not be done otherwise. There is no State or National policy that would prevent this being done.

Q. My constituents over where I live seem to be under the impression that this could not be done.

A. They have had no instructions from anybody that I know of to that effect.

Q. If it was in the program that these roads were to be built?

A. There have been no instructions of that kind issued that I know anything about. Heretofore this

work has been carried on by the various county units. They have been given a great deal of latitude and they have not developed useful projects. I think it can be done and it is being done now. There have been worlds of lateral roads built.

Q. Do not you think it would be very much better if you put these men to work on some useful projects rather than to spend this money on projects that would not otherwise be built for many years?

A. I do.

Q. Don't you think that a large percentage of the money that has been spent within the last four or five months in the relief work under your department has been absolutely useless as far as any economic advantage is concerned?

A. No, sir, I do not think it has been useless.

Q. You don't think it has been useless?

A. No, I do not think it has been useless; I do not think any more than has been previously except that before we took the thing over these funds were generally used throughout the State for work programs; they were not used for relief programs. But it is a misconception of what the funds were provided for; for that reason there was probably more work in total going on than there has been recently, for instance they were permitted and did hire trucks out of these funds. That is not now permissible; it is against the law, but it was done; of course they were told to do it.

Q. Of course if you build roads out here in the mountains you have got to do blasting and hand work but in a level district what is there that you can do by hand without some machinery in conjunction with it?

A. I think you can use machinery in conjunction with it but the law says that you cannot buy that machinery or rent that machinery with these funds.

Q. We ought to have if we are going to put twenty million dollars in partnership here, don't you think we ought to discuss the rule and regulations under which it is to be spent?

A. I do. That is what you are here for, but I think too, Senator,

you ought to distinguish between the public work program and the relief program. I think it would be very good to work in cooperation with the public works administrator and Mr. Williams but they cannot do it all and you are not going to find this an easy matter. But you should distinguish between the public works program which is under the Secretary of the Interior, Mr. Ickes, involving an appropriation of three billion, three hundred million dollars, and the relief program that is the relief funds which are specifically confined to relief and which is under an entirely different department. There is about six times as much money appropriated for public works as there is appropriated for relief.

Q. Mr. Westbrook, under the relief program you do not object to it being spent for real useful work?

A. No, sir, not at all so long as it does not stop some work which would be done under the public works program or probably where private money would be spent.

Senator Woodward: Mr. Chairman, it is past the adjournment hour but before making a motion to adjourn or recess until Monday, I have been requested by former Governor Sterling to file with the Secretary a report as made by him which is supposed to be in keeping with the resolution with exhibits attached which are reports of the three chambers of commerce, the South, East and West Texas Chambers of Commerce. I want to file that report. Governor Sterling left but authorized me to state that he would be subject to call at any time.

Chairman Purl: I want to ask two or three questions if I may be permitted to before we put that motion to recess—are these bonds that you are fixing to approve, are they fidelity bonds or surety bonds?

A. What is the description of that, Mr. Donnell, what is the nature of the bonds?

Mr. President I just don't recall about those things; we got the Attorney General's approval on the form of the bond.

Q. Do you know anything about whether they are solvent companies?

A. Yes, sir.

Q. What I want to find out

briefly is if the county administrative board is responsible for the actual selection of the house or plant in which you have the headquarters in the different counties?

A. That is the county administration; we have nothing to do with that.

Q. Do you have anything to do with the rent that the local board may pay for headquarters, if you call it that?

A. They are not supposed to pay any rent.

Q. You receive it from some patriotic citizen or organization?

A. Yes, sir.

Q. In our social welfare work do you have any kind of inspector such as a sanitary inspector to see anything about the housing conditions where a great group of men congregate waiting for jobs—jobs to be assigned like army camps—sanitation facilities?

A. No, we do not have, Senator, it is a matter of general administration. If we have a situation like that existing it is the administrator's responsibility.

Q. Could the Health Department of the City of Dallas order a building moved or a nuisance stopped?

A. Yes, they ought to do it.

Q. All right; this other question, then I am through. As a matter of policy—I don't want to take isolated cases—but as chairman of the committee I am getting letters from all over the State. I have a case here which probably would be an isolated case where a lady is working in headquarters and her husband is principal of a school in the same town. I want you to understand that I am not saying anything about the ability of these employees. In another instance I understand that there is a lady taking care of aged parents who is thoroughly capable of doing good work who has lost her job and has no employment; in another case that I have in mind there is a lady working in the county administration headquarters and her husband is working for the city; and in another instance where a woman is on the payroll and her husband is working in a bank. Could not there be some order in regard to those matters sent out as a matter of policy?

A. Quite right and I think it ought to be done.

Chairman Purl: Very well. We will now recess until Monday morning at ten o'clock.

Monday Morning, September 25,
1933.

The Committee of the Whole Senate met at 10:00 o'clock a. m. on this date, pursuant to adjournment from Friday, September 22, with a quorum present, whereupon the following proceedings were had:

Chairman Purl: The Committee of the Whole Senate will please come to order. We want to announce again that visitors are welcome on the floor of the Senate, and the Senators will permit those who are their special guests to sit near them, and also all members of the House are welcome to take part in the Senate investigation also.

I want the Sergeant-at-Arms to keep the door open; the Steering Committee will take seats at the front table here, which has been provided for them—

Senator Woodward: My attention, Mr. Chairman, has been called to a statement in the San Antonio Express of September 23, 1933, purporting to be a statement made by the county administrator of Bexar County, Mr. Tex Alsbury, from which I read the following:

"Tex Alsbury, Bexar County paid administrator of unemployment relief, Friday told critics of the administration where they could go. 'To hell with 'em,' he said, 'what are they going to do about it?'"

I am now requesting the chairman to issue a subpoena for Mr. Alsbury with the request that he produce before this committee his complete records so that we can find out how much money he has received, how much he has spent, and what he has spent it for, together with the number of persons employed who are receiving compensation either directly or indirectly, together with their names, insofar as Bexar County is concerned. I wish to have that subpoena returnable tomorrow at 10 o'clock.

Chairman Purl: Have you got that subpoena prepared—

Senator Woodward: With the permission of the Chair, we can prepare that subpoena for you—

Chairman Purl: Are you gentlemen ready to proceed—

Senator Woodward: Just a minute—

Chairman Purl: The committee will please come to order. Is the Steering Committee ready to proceed?

Senator Woodward: I suggest that Mr. Westbrook be permitted to make his statement as to the third section and get those matters before the Senate in his own way, because there are lots of questions that will be asked Mr. Westbrook and other witnesses in regard to that section as well as in regard to other sections that have heretofore been discussed before the committee.

Chairman Purl: With the understanding that Mr. Westbrook at the close of it can go back and pick the testimony in connection with Sections 1 and 2, we will now proceed with the next section—

Senator Moore: Mr. Chairman—

Senator Woodward: Mr. Westbrook—has called my attention to some matters and that he would like to intersperse his analysis with some statements with reference to these reports from one or two people who are here and I think that would probably be a very wise move, to let him handle that situation just as he sees fit—

Chairman Purl: Mr. Westbrook, you may proceed in your own way—

Colonel Westbrook: Mr. President, and members of the committee. The three sections of this report. They deal with the submission of estimates on expected relief needs during the next six months. I would like to say preliminary to this section—I would like to make it clear that all of the figures that I give are purely estimates, and what is going to happen in the future is purely a matter of conjecture. That we have given you these figures as the maximum figures for the reason that we find that in the winter months, which will be embraced in these figures, we want to make available for the winter months sufficient funds to cope with the situation. We have estimated that for the six months beginning October 1, and ending March 31, there may be needed to carry on the relief operation in this State, a total of \$17,750,000.00. By months, we esti-

mate that will require for October, \$2,250,000.00; November, \$2,750,000.00; December, \$3,000,000.00; January, \$3,250,000.00; February, \$3,000,000.00; and March, \$3,500,000.00, or a total of \$17,750,000.00.

We have based these estimates on the following factors:

First: The existing case load as compared with such information as we have regarding the case load a year ago. We have taken into consideration the cessation of seasonal employment, which you are getting now, and which will be practically completed within the next sixty days.

We have taken into consideration the addition of new families to the relief rolls—that is families which have not heretofore been on the rolls at all.

We have considered the increased cost of the necessities of life; we have considered the fact that during the winter months, the fact that it cost more to live than it does in the summer, and that a great deal of the expense which is now not incurred, will be required—and that a great deal of the expense which is now not only permitted but required by the Federal Relief Administration will have to be taken care of.

And finally, we have given consideration to the re-employment situation in connection with the National Industrial Recovery Act. Both the N.R.A. and the Public Works Section.

Those are the factors that have been taken into consideration, and which had to be taken into consideration by our State headquarters in preparing these estimates.

Reports which we have received are cited as of August 31st; from many of the counties, we have not received any reports, and we have made up these estimates from information which we have in our own office, based on information received from the county administrators throughout the State, and place the existing case load at around 900,000 people. The average case load since March of this year was 850,000. The additions to this list has been occasioned by these new families coming on the relief rolls.

During the month of August, there was 28,000 new families who came on the relief rolls. We estimate that in the month of September 30, 000 new families will have to be added to the relief rolls. By new

families, I mean those who are now, or who have been possibly employed for a few days out of the week or month, members of these families who have had some kind of employment, at seasonal employment, such as cotton picking and other seasonal employment, but who will not have that employment in the future.

Mr. President, and Members of the Senate: I would like to have permission at this time to use this chart which has been prepared in order to give you a more graphic description of what I am testifying about—

Chairman Purl: We want those members to be able to see this—we would like to have you get located so you will be able to see this chart—is there any Senator who can not see the chart from where he is sitting—

Chairman Purl: All right, Colonel Westbrook, you may proceed—

Mr. Westbrook: This line here, this yellow line, is the estimate of unemployment—of unemployed people who are not on our relief rolls. This chart covers the period from October, 1932, to October, 1933. That estimate was arrived at from figures obtained from the Department of Labor, and of course is nothing more than a guess, but it is pretty well fortified from a number of sources.

Only in the last few months—in the last few days an N.R.A. survey in Harris County, indicates that there was 27,000 unemployed families, which is in excess of 135,000 persons, in Harris County, who were not on the relief rolls. At the same time, in Harris County, we had 13,000 plus on the relief rolls, which indicated at this time in Texas about twice as many people unemployed, not on the relief rolls as there are not employed who are on the relief rolls.

In October, 1932, we just began to have them on the relief rolls at all. In September, 1932, we had a very limited number on the relief rolls. Up to October, there were very few, but during that month we began to have on our rolls some of those who had been taken care of by private agencies; the private agencies such as the community chests and other local relief organizations were unable to cope with the situation, and the first steps were taken to get them out into the fields and we began to

assume responsibility for them. At that time, there was estimated to be 3,500,000 unemployed people in Texas who were not on the relief rolls, and only about 100,000 people who were on the relief rolls.

You will note that these bottom figures, are the unemployed people who are on the relief rolls. Beginning back in October, you will notice that this line starts at practically none, and has gradually raised until at this time, we have approximately 900,000 people in the State who are on the relief rolls, and the unemployed families who were not on the relief rolls shows that we should have a considerable decline, but the facts are that those who were not on the relief rolls and who were able to get employment have declined, and the number who have been able to get employment and take care of themselves and find relief in temporary work and thus relieve this fund has decreased and it has become necessary to put many of those on the relief rolls. I want to point out the significance of those figures.

This green line here (indicating), beginning right here is the employment trend percentage, and beginning with October, 1932, and extending to August, 1933, which is the last month we have any figures for.

The data from which this chart was made—

Senator Holbrook: The reference to the three and a half million who were unemployed—but not on your rolls—that would leave then, only about two and a half million who were gainfully employed as of October 1, 1932?

A. Yes, sir.

Mr. Westbrook: This green line, as I said, represents the employment trend. The data from which this chart was compiled was furnished by the University of Texas' Bureau of Business Research.

They have some 9 thousand firms reporting to them the trend of employment in their respective businesses. You will note that beginning at "O" on October 1, 1932, unemployment increased 12 per cent by the first of December, 1932.

Beginning with January—beginning with the 1st of December, it decreased until on the first of February it was only 4 per cent under 1932, and according this source of information, employment had in-

creased to about 6 per cent over the point as shown of October, 1932. By the first of August, 1932, it was approximately 2 per cent, or to be exact 1.89, under what it was on October 1, 1932. Indicating so far as employment was concerned, we are certainly under what we were a year ago; and taking that fact into consideration with the fact that in these years millions of people who have been unemployed and who have been living on accumulated savings of previous years supplemented by what little work they could get to do; all of those people are gradually coming to the point where they are going to have to be taken care of in some manner, then you will understand why the relief load increases at this time of the year, and at other times of the year it may decrease some.

Senator Collie: I believe that you stated that was in 1933—you meant in 1932?

A. Yes, of course.

Mr. Westbrook: I want to explain this other line on this chart. The red line is the trend of expenditure for relief. We are presenting that as from March 1, 1933, up to date. And with the exception of the month of May, when we were waiting for the Legislature to submit the bond issue, it has shown a gradual increase, in the face of the fact that there has not been much of an increase on our rolls. The reason for that is on account of the increase in subsistence cost. In 1932, the cost of subsistence from October, 1932, to March and up through April of this year only about 5 per cent. In April there was a rapid increase, a rapid advance which has continued until the 1st of September; reports that we have from the commissary department shows that articles of food, the per centage of increase was about 42 per cent; forty-two per cent greater than it was on October 1, 1932. So we have not only a potential increase in case load, but a positive, definite increase of 42 per cent in food items to take care of which has been accounted for in the increased cost of things they actually have to have. This has automatically increased the number of families and the number of individuals who have been placed on our relief rolls. In March, 1933, we had more families on the relief rolls. That was when we took charge in 1932.

That was when the Commission took over the operation of relief in Texas.

Senator Collie: When was that?

Mr. Westbrook: That was in March, 1933—

Senator Collie: I thought you said in 1932?

Mr. Westbrook: I meant in 1933. There was quite a decided decline up to the first of April which we attributed to the fact that there were a number of people, one or two perhaps in a family who were helping contribute to the support of their families before that time; those folks were able, up to before that time, to get by, and we were able to get a good many of them to go out and chop cotton and do work of that kind. But the report of all social service agencies indicate that that is a condition practically always is met with around the first part of April. In March about 240,000 families reported to them, and about 70,000 individuals, that would indicate about a million people—240,000 families, reporting to them.

Chairman Purl: The number of men—the number of people in a family, that is determined by some census figure or is that determined by an actual check—I believe that the average number per family as shown by the census figures is about 4.4, which is the average number in each family.

Mr. Westbrook: We get that from the actual reports of the number of people who were given subsistence during that time. The number of families and the number of single cases rendered assistance. In fact in Texas, the size of the family is 4.8. The use the figure 4.8 as indicating the size of the family, and up until we got a better system of reports, up until you might say August 15, these figures, I do not consider to have been very much out of line, but at this time, we have an actual check on the reports that we are receiving, by showing the number of people who have actually been given subsistence: these figures are checked by the County Boards—

Chairman Purl: That was the actual check of the people rendered assistance?

A. It was based on—

Senator Woodward: Do you mean a million two hundred thousand families—

Mr. Westbrook: I mean families.

I just presented this chart showing a graphic exposition of what the situation is here in Texas; and as graphically shown by this yellow line here, this great number of people unemployed who have not been on the relief rolls heretofore who have been able to get by because of the help of some of their relatives and others who have been assisting them, but now many of those people who have been helping them are without work and they are coming onto our rolls. They are our potential load. Until they can get jobs and go to work they are going to be on our rolls. It is going to be necessary to take care of these people in some way until there is some kind of employment provided for them. This is the thing that threatens us, and the National Recovery Act must be given a chance to be worked out before this situation can be corrected; something must be done to prevent these people becoming permanently on our relief rolls.

Senator Murphy: What is the figure on that yellow line at this time—as to the number of unemployed who are not on the relief rolls now?

A. I would estimate at this time that there are a million, five hundred and fifty thousand unemployed in Texas who are not on the relief rolls, against about 850,000 who were on relief a short while ago.

Senator Murphy: What is the figure of that yellow line at this time?

A. We estimate at this time there are 1,200,000—about 1,550,000 unemployed people in Texas who are not on the relief rolls against about—that figure won't check out exactly—850,000 on the relief roll—it will pretty nearly check out.

I want to emphasize also this point which was made by Senator Small a while ago. We require every year to gather and handle out cotton crop about five hundred thousand people, that is to pick it, to gin it, to transport it and compress it and to handle it. Most of the cotton crop is at its height now; it is at its height; it hasn't commenced above the cap rock and in the valley it is over, but in the State as a whole the cotton season is at its height and there are at this time

some two hundred and fifty to four hundred thousand people engaged in the handling of this cotton crop, which of course are not on the relief rolls. I think we all understand the great majority of people who pick cotton and work in the compresses and around the gins are potential members of the relief group after the cotton season is over. They are not able as a general rule to accumulate enough during the cotton season to carry them on through the winter. I think the personal experience of those of us who are familiar with the handling of cotton will bear that out. That applies also to the attorneys also to the compresses—so I think it is important that we consider the potential influx of this vast number of people when the cotton season is completed, which will be, generally speaking, within the next sixty days for the great central part and the next ninety days for the western part of the State.

Now, we are, as all of us realize, in the middle of a program to bring about re-employment. That is the major objective of the Federal Government and we all have confidence that it will likely succeed. I think, however, that we should not permit our confidence in this to lead us to conclusions which would result in our not making adequate preparation for what we are called to face this winter.

You all realize, all are familiar with the fact that the Federal Government has coordinated National recovery program with the relief program and with the employment program and the coordinating agency which was designed to put into effect and make possible the employment of personnel which might be required as the result either of the National Recovery Act program or the public works program, which is the National employment service which has been set up under the United States Department of Labor. I asked the chairman of the steering committee to call before you the director for Texas of the National Re-employment Service in order that he might give you his views as to the effect of the National re-employment program upon the relief rolls and, with the permission of the com-

mittee, I will ask Mr. Bryan Mitchell to take the stand and to explain to the committee just what is set up and give the committee such other information as he thinks might be pertinent to this inquiry.

Chairman Purl: Any questions pertaining to this chart?

Senator Woodward: We can make them later. We would like to interrogate this gentleman a little first to identify him.

Thereupon, Byron Mitchell, having been duly sworn by the chairman to tell the truth, the whole truth and nothing but the truth, testified as follows:

Chairman Purl: If there is no objection you may do that and then let Mr. Westbrook proceed in his own way, either making statements or asking questions as he may see fit. If there is no objection, Senator Woodward wants to ask a few preliminary questions.

Senator Woodward: What is your connection with the Federal government?

A. I am an employee of the United States Department of Labor.

Q. What is your official title?

A. I am State director of the National Re-employment Service.

Q. And through which department are you employed?

A. The Department of Labor.

Q. The Federal Department of Labor?

A. Yes, sir; the United States Department of Labor.

Q. How long have you been occupying this position?

A. Since July 16th this year.

Q. Where is your home?

A. Houston.

Q. How long have you lived in Houston?

A. Since 1915.

Q. That is all I wanted. How long have you been connected with the Federal Department of Labor?

A. I came on on July 16th, at which time the National Re-employment Service was created, having grown out of the labor provisions of the National Industrial Recovery Act.

Q. What was your employment or business prior to that time?

A. Immediately prior to that I was engaged in a number of different things. When the Reconstruc-

tion Finance Corporation money was put into Texas I handled—was comptroller for the program in Harris County.

Q. Prior that time, what has been your life's business, I mean?

A. I was the assistant to the manager of the Houston Gas & Fuel Company handling the commercial and personnel.

Q. Locally employed?

A. Yes, sir.

Q. Handling the personnel?

A. The commercial end of that.

Q. How long did you work for that company?

A. I was with them about two years.

Q. Prior that time time what was your business?

A. I was the business manage of the Houston Clinic, handling the business and personnel end of that work.

Senator Woodward: That is all as far as I am concerned.

Mr. Westbrook: Are you ready for him to proceed, Senator, with his statement?

Senator Woodward: Yes, sir.

Mr. Byron Mitchell: The National Re-employment Service was first created for the purpose of carrying out the labor policies set up by the National Industrial Recovery Act under Title 2, which related to public works and highways. These policies are briefly summarized in five points, namely: 1. Opportunities for employments on projects authorized under its administration shall be equitably distributed among qualified workers who are unemployed—not among those who merely wish to change one good job for another. 2. These work opportunities shall be distributed, geographically, as widely and equitably as may be practicable. 3. Qualified workers who, under the law, are entitled to preference shall secure such treatment. 4. The wasteful costs and personal disappointments due to excessive migration of labor in quest of work to the vicinities of projects, should be avoided. 5. Local labor required for such projects, and appropriately to be secured through employment services, should so far as possible be selected from lists of qualified workers submitted by local employment agencies designated by the

United States Employment Service.

As those provisions were necessary to carry out the Department of Labor was asked to undertake the job and in order to do it the agreement was reached between the National Recovery Board, the Department of Labor and the Relief Administration as the method of financing that work. Mr. Harry Hopkins, the National Relief Administrator, agreed to put up the money for the local offices, operation of the local offices themselves; Mr. Ickes and his board appropriated money sufficient to pay the State Directors and their small staff. To the duties of the National Employment Service has been added a definite responsibility with regard to Title 1 of the National Recovery Act. This responsibility is to furnish labor to any and all employers as it may be needed, brought about by the codes. If the labor is not available in one section of the country it is up to the employment service to get it from another. In setting up the local offices Mr. Hopkins, because he is putting up the money out of relief funds, has required that the selection of the manager and his assistant be approved by the State Relief Director. That is required in all of the State and is required in Texas. The National Re-employment Service also recognizes any effort that the State may have made toward establishing an employment service of their own. In Texas your law regarding employment is different. The act which creates the Texas Rehabilitation and Relief Commission it provides the setting up of boards of welfare and employment. The Department of Labor has recognized that fact and has appointed the local boards of welfare and employment as the National Re-employment Board in their respective counties. That places the Re-employment Service in very close touch with the relief organization. I might add in that connection that it has been very helpful to the Re-employment Service. Naturally, being in the Re-employment Service, I am primarily interested in employment.

In the Federal Highway Program there has been approximately twenty million dollars loaned to Texas, as we all know. It is estimated that

sixty per cent of that twenty-four million dollars will be spent on labor which will be paid by the contractor, an additional twenty per cent possibly. An additional fifty per cent of the remaining twenty per cent will probably be spent in labor as cost of producing the materials purchased; consequently, basing our estimate on the amount of money to be spent out of the twenty-four million dollars for labor we arrive at eighty per cent.

The scale of wages for unskilled labor is thirty-five cents minimum for unskilled and forty-five cents minimum for skilled labor. Taking your average of forty cents per hour for an eight hour day means employment for a hundred thousand men for forty-five days; thirty-three thousand, three hundred and thirty-three additional would be employed in producing the materials at that same rate, consequently the entire highway program will find employment in Texas for one hundred and thirty three thousand, three hundred and thirty three individuals for a period of a month and a half. The extent that we can reasonably expect for public works other than highways is at the present time indefinite.

All the branches of the Federal Government which have a construction under way or work to be done in this State are required by Washington to secure their men in the locality that the work is being done and through this Service. There are some five departments that have small projects under way at the present time.

The State Highway Department, as stated, has asked that we also furnish labor on State highway projects as differentiated from the Federal. So far, during the time that the Federal money is being spent—that will be an additional three million or three and a half million, the best information that I can get.

These workers that are placed on those jobs must be placed on the basis of qualification. They must be able to do a day's work—that is absolutely essential—and understand it.

With relation to registration of the unemployed, we are finding great numbers of the unemployed who are not qualified to work in

one city; the contractor comes into the office and selects men and immediately refers them for physical examination before employment. Fifteen negroes were turned down in succession on account of physical disabilities in this office. It was in an endeavor to get mule skinner. We are making a detailed analysis of that situation, but we are not able to report on it at the present time.

The figures as to the number of unemployed in Texas as just given by Colonel Westbrook is the factor used by our department at the present time. There is in all probably a number of unemployed; there are probably twice that number of families on the relief rolls. That figure is, I believe, correct.

I believe that covers just about the general high lights of re-employment service. I will be glad to answer any questions.

Chairman Purl: Are there any questions which the members of the committee desire to ask this gentleman?

Senator Murphy: Mr. Chairman.

Chairman Purl: Senator Murphy.

Senator Murphy: Will you kindly restate those figures that Mr. Westbrook gave us as to the unemployed at this time?

A. I don't have those exact figures with me.

Q. Have you any figures on unemployment since you have taken office?

A. Yes, sir.

Q. You have with you?

A. Yes, sir.

Q. Will you explain that to us a little more in detail?

A. They are, according to the best estimate that our office can make, right at four hundred thousand to four hundred and fifty thousand unemployed in the State of Texas at the present time.

Q. Four hundred thousand to four hundred and fifty thousand.

Senator Neal: Give those figures again, please.

A. Four hundred thousand to four hundred and fifty thousand. Those figures were taken about forty to forty-five days ago.

Q. Does the Re-employment Service list those not in distress along with the others in registering the unemployed?

A. It registers them without reference to whether they are on the relief rolls or not.

Q. And they are given employment without regard to whether they are on the—

A. Relief rolls or not.

Q. —relief rolls or not? Of this number of unemployed, are they adults altogether or are there any boys and girls included in that?

A. We don't register anything but adults; that is, heads of families; if there is no employable male member of the family, if there is a woman member of the family we register them.

Chairman Purl: You segregate them according to sex?

A. Yes, sir.

Senator DeBerry: Mr. Chairman, I would like to ask a question.

Chairman Purl: The Senator from Red River.

Senator DeBerry: I understood you to say that the rolls show about four hundred and fifty thousand unemployed in Texas. Now, is that families or persons?

A. That is persons, that is individuals.

Q. I got lost here awhile ago. When Colonel Westbrook was on the stand the Senator from Bell asked him a question about three and a half million. I can't see that chart; I am getting lost. What were those figures?

A. This relates to individuals; my figures relate to individuals. I am not familiar with the figures—

Senator DeBerry: Mr. President, let me ask Colonel Westbrook a question right here because I want to get that straight?

Chairman Purl: All right, sir.

Senator DeBerry: Mr. Westbrook, a while ago when Senator Sanderford asked you about three and a half million, what was he talking about?

Colonel Westbrook: That was people. I think I can ask Mr. Mitchell a question which will straighten that out.

To determine that figure, Mr. Mitchell, would you use that factor 4.8 which we used?

A. Yes.

Colonel Westbrook: You mean the number of people, using that factor, at this time is about one million six hundred thousand and to one million nine hundred thousand?

A. That is correct.

Colonel Westbrook: That is about in accordance with our figures, Senator.

Senator DeBerry: If Colonel Westbrook says it is three hundred thousand unemployed and you say three hundred and fifty thousand—you have got to get it closer than that before I get you.

Colonel Westbrook: Senator, let me explain a little bit there. My first figure was based on October, 1932, when we estimated it—we didn't estimate it but the Department of Labor and other agencies did, I said it was a pure estimate, it sounded like a lot of people, there were three million five hundred thousand people without support, you see, not on the relief rolls. Since then a whole lot of them have gotten on the relief rolls; it is now between a million and six hundred thousand and a million and nine hundred thousand. However, I think our figures and the National Re-employment Service just about check on that, do they not, Mr. Mitchell?

A. Yes, sir.

Senator DeBerry: Mr. Mitchell, if you were to go into a rural district to find out the misery that you have there, gather statistics, what does it take to constitute unemployment in a rural district?

A. The number who are receiving relief from a public agency; we take the number of families there, we have not made as yet, as I stated in the beginning, my figures with relation to the total number of unemployed was only an estimate; we have made no census, that census has been made by the N. R. A. program; we have made no census, but we have done this, we have taken the number of families on relief rolls by counties in Texas, and by multiplying the number of families on the relief rolls by two we have arrived at a figure which is usable in estimating a total number of unemployed. At the time Harris County had thirteen thousand families on the relief roll the N. R. A. check showed twenty-six thousand unemployed.

Colonel Westbrook: Not on the relief roll?

A. Yes, sir, people.

Senator DeBerry: Your agency does not compile figures as to what constitutes unemployed?

A. We are in process of doing that at the present time.

Q. I want to know what unemployment is in the rural districts. The reason I am asking that question is there is a seasonable work in agricultural districts at regular seasons. Back before there was ever any depression, we had a lot of people unemployed, according to the way my daddy thought about employment; I saw them lousing around. I want to know what unemployment in a rural district is.

A. My idea of unemployment in a rural district is a man who absolutely can't make a living and has to have help, because in certain times of the year, as you say, he may be losing around, at the same time he had made his living in previous months.

Q. You understand what I am trying to do, if we are going to use figures to show an estimated amount of money that it would take, we have got to have figures to make a formula of some kind, I want to know what basis is being used for the formula because you know there are seasonable times in the year—there are a lot of people that you can walk up to and say, "Have you got a job now," and he wouldn't have one today but he may have one next week.

A. In our registration the basis of registration is qualification; is the man qualified to do a certain kind of work? The considering factor is this in the work, for instance, if there is a single individual who is qualified for a job and a man with a family of seven and a wife without a job, they are both out of work, we will endeavor to see that the man with the family of seven gets the job if there is not enough jobs to go around.

Senator DeBerry: That is all. I don't know any more now than I did before.

Chairman Purl: I believe Senator Neal wanted to ask a question. I will recognize her at this time.

Senator Neal: I want to ask Colonel Westbrook, he made a statement that on March 1, 1933, there were a million two hundred and twenty thousand families on the relief rolls. Is that families?

Colonel Westbrook: Not families, persons.

Q. Persons on the relief roll.

This gentleman says that there are four hundred and fifty thousand. When you made up your relief rolls, Colonel, did you include the entire family—whereas he only includes the adult member of the family?

Colonel Westbrook: That is correct, Senator.

Q. That will account for the discrepancy in the figures to some extent?

A. That is correct.

Senator Regan: Mr. Chairman, may I ask a question?

Chairman Purl: Senator Regan from Pecos.

Senator Regan: You say your organization was set up at the suggestion of Mr. Harry Hopkins' Federal Bureau at Washington?

A. It was not at his suggestion. It was at the suggestion of the Council of Public Works.

Q. The Council of Public Works at Washington suggested that type of organization be set up in Texas?

A. That is right.

Q. Subject to the approval of the Texas Rehabilitation Commission?

A. The State Relief Director.

Q. Mr. Westbrook?

A. That is right.

Q. Your appointment was subject to recommendation by Mr. Westbrook?

A. No. My appointment was not; my appointment was made by Mr. Frank Persons who is director of the United States Employment Service; at his suggestion.

Q. At his suggestion.

A. What did you say?

Q. At whose suggestion was your appointment made?

A. It was entirely on a non-patronage basis.

Q. It was what?

A. It was not patronage at all.

Q. And your headquarters are in Houston?

A. Austin.

Q. Austin?

A. Yes.

Q. Do you have an office here; is all your work done from here?

A. Yes, we have an office now, which we hope will work into a permanent office, in nine counties; have them actually in eighty-seven other counties at this time.

Q. You have offices in eighty-seven other counties?

A. Yes, sir.

Q. How are they divided; where are they concentrated mostly?

A. All counties under boards of welfare and employment, sir.

Q. Who appoints these men in the various offices?

A. I do, subject to approval by Colonel Westbrook.

Q. Subject to approval by Colonel Westbrook?

A. Yes, sir, with the exception in the less populous counties no separate organization is set up; we use the county relief administrator as re-employment manager. There are not sufficient funds—

Q. In sparsely populated counties you use Mr. Westbrook's men?

A. That is right.

Q. You have, for instance, headquarters at El Paso?

A. Yes, sir.

Q. In Del Rio, for instance?

A. We have an office in Del Rio under the relief administrator.

Q. And in Texarkana? You have got them scattered throughout the State?

A. Yes, sir.

Q. How many men in your department?

A. Directly working for me?

Q. Yes.

A. I have six field men.

Q. Six field men?

A. Yes, sir.

Q. How many in your office?

A. Two.

Q. Two in your office?

A. Yes, sir.

Q. You have nine employees in your department?

A. Yes, sir, that is right.

Q. Those men are scattered throughout the State?

A. It is a total of seven.

Q. A total of seven?

A. Yes, sir.

Q. That is all your organization consists of?

A. That are on the Department of Labor payroll.

Q. On whose payroll do the others go?

A. They come out of funds that are appropriated by Mr. Hopkins, in addition to the Texas allotment for relief.

Q. In addition to the regular allotment for relief?

A. Yes, sir. These funds for the operation of local officers.

Q. What do you estimate the to-

tal cost of your organization is to the government per month?

A. Seven thousand dollars.

Q. About seven thousand dollars a month?

A. That is made possible, however, because the relief organizations handle these affairs without any additional cost in most of the counties in Texas.

Q. In other words, it is a sort of cooperative arrangement between your department and Mr. Westbrook's to get people off the relief rolls?

A. It is an arrangement of the re-employment heads and Mr. Harry Hopkins which has been extended down to the states and which the states are required to use; it is not an optional matter.

Senator Regan: Thank you.

Senator Small: I would like to ask you with reference to public works.

A. Yes, sir.

Q. As I understand it, the government expects a large number of municipalities throughout the country to borrow money through its public works department, and to employ labor as far as possible that is on the relief rolls of the states?

A. No, from re-employment office rolls.

Q. Your rolls are taken then from the relief rolls. What connection has your roll with the relief rolls of the State?

A. We only take individuals from relief rolls who are capable of doing a day's work.

Q. Of performing labor?

A. Yes, that is right.

Q. Then, if in Fort Worth they borrow through this Public Works Bureau money for some municipal enterprise there, which they are going to install, they will come to your department, your bureau, for the labor?

A. Yes, sir.

Q. And you will send them out such employees as you have on your list that will meet their requirements?

A. Yes, sir, that is correct.

Q. And the city, in order to get that money, is supposed to take that labor on those projects?

A. Providing the labor gives results. The city, or any other employer, for that matter, certainly

has the privilege of getting rid of any individual who doesn't do it.

Q. Who doesn't work?

A. Yes, sir.

Q. Now, in highway work that is being constructed out of this twenty-four million dollar fund which was sent down here to Texas, is that handled in the same manner or not?

A. Entirely.

Q. Entirely in the same way?

A. It goes this far. There is a pay roll inspection that is made by the State Highway Department, who checks and certifies the pay rolls of the contractor against the list of qualified employees or applicants that we send to him from our office. Any individual that contractor has hired, if he doesn't appear on those rolls, he doesn't get paid.

Q. His pay check would simply be held up. Now, with reference to the force account work that the Bureau of Public Roads is doing, are you familiar with the set-up of that?

A. Of what?

Q. Force account work that the Bureau of Roads is doing in various sections of the State, particularly throughout the Panhandle?

A. Is that expedited projects?

Q. No, it is projects that have been inaugurated in drouth stricken communities which is in addition to the twenty-four million dollar expenditure to be made in Texas.

A. How is the labor paid?

Q. Well, the labor, as I understand it, is paid through the Rehabilitation Relief Commission?

A. We have nothing to do with that.

Q. You have nothing to do with the selection of that labor, yourself?

A. Nothing but work relief. All those employees would naturally have come from the relief rolls, and therefore are not as well qualified as they would have been if you had every field.

Q. It would be labor of an inferior type in one sense of the word?

A. On a whole.

Q. From the standpoint of efficiency?

A. On the whole. We are just for employment and not for relief.

Q. Now, these people who are unemployed throughout the State at this time, what percentage of them

do you think are able to go out and do work on these public works projects under the rules and regulations of your department?

A. In my opinion, there is not over thirty-three and one-third per cent to forty-five per cent.

Q. From thirty-three and one-third per cent to forty-five per cent? Then we have more unemployed, say sixty per cent of the people who are not capable of performing labor that would yield a return to the contractor sufficient for him to keep on the work?

A. That is correct.

Q. That sixty per cent, the only way to take care of them is either by direct relief or on some emergency project where a very small percentage of efficiency is expected?

A. Well, of course, this re-employment program is a program for those capable of doing the work. It is not in any sense a pension program at all.

Q. I know this is a work program. There would be about sixty per cent of these people now employed who could not be expected to do labor that a man could offer to pay a reasonable wage for?

A. According to the information I have, that is correct.

Q. But a large per cent of that sixty per cent could be utilized on emergency projects in sections where the relief situation is acute and get a fair percentage of efficiency out of them, couldn't you?

A. You would have to find the nature of work that they could do because there are many aged that are registering in our office, there are many people who are physically incapacitated, or have any number of reasons for not being employed.

Q. Hasn't that type increased alarmingly in the last year or so?

A. I don't think it has increased. I think we have just found out what we have.

Q. How did those folks get along heretofore?

A. Well, as far as I know, relatives and friends must have been maintaining them. Certainly they have not been on either public or private relief rolls; they could have been in employment.

Q. At any rate incapacitated and in a sense objects of charity either for the State or for some individual?

A. Yes, sir.

Q. And it is your idea that they have been brought to the surface by reason of the depression which has exhausted the resources of those who have been taking care of them?

A. That is correct. One of the greatest forms of insurance that we have had during the past several years is the home with a large family who could provide for themselves in old age. That is not true now. The sons or daughters are not all employed; they can't take care of the old folks because we have the sons and daughters unemployed as well as the old people and their resources are gone.

Q. In other words, there seems to be about sixty per cent of the unemployed that possibly are permanently fastened upon the State, as possible members of the relief rolls, such people who would be able to perform labor of a very low percentage of efficiency.

A. Well, certainly they can be employed in an employment program; but as to whether or not they are fastened onto the State or on the United States Government, I think that is your problem.

Q. Well, they are fastened onto somebody?

A. They are fastened onto somebody.

Q. Now, your investigation, has it been made in cities solely or have you scattered that pretty well over the State?

A. Well, over the State. I have some figures in mind for a county which is not far from Austin, within fifty miles of Austin.

Q. It is an agricultural county?

A. Yes, sir. There was a project employing one hundred and forty-three men, twenty-three were brought in from outside the county, the rest were county residents including veterans with independent local residents. Of the total number, only seventeen per cent were taken off of the relief rolls in that county.

Q. Seventeen per cent. And the rest that you had on the relief rolls were not capable of performing labor?

A. There was a high percentage of them that definitely were not. I think that this employment program will probably take up twenty

to twenty-five per cent of the whole off the rolls; it may be as high as forty per cent, but I don't think so.

Q. Well, what efforts are you making to get veterans on the relief; is there any preference given them for employment?

A. That is required by the law. Any veteran who is qualified and has dependents gets preference on any public work or highway job.

Q. Are you seeing that is enforced?

A. I am following it through to the best of my ability. There has not been, as a matter of point, any great deal of surging around over the country on the part of the veterans.

Q. Well, then, as I understand you regardless of the amount of work that may be inaugurated throughout the State, regardless of the return to normal conditions, there is fastened upon the public, either in an individual capacity or as a State or municipality, about sixty per cent of the people who are now employed, who will not be able to earn their own living?

A. That is a conservative statement.

Senator Sanderford: May I ask some questions?

Chairman Purl: Senator Sanderford.

Senator Sanderford: Mr. Mitchell, it appears that within the last few months there has been considerable listing of old people, is that or is that not absolutely directly the result of the severity of the depression which has wiped out their savings that they had saved up for their old age and at the same time the families they have been dependent upon also are unable to care for them?

A. Yes, sir; I think so.

Q. Now, in the absence of the depression and the return to normal conditions, that we all hope for, that will relieve the situation upon the State and municipalities to a large extent, in that the families of these old people will be again employed which will enable them to recover, in a manner, their status financially?

A. I believe there are too many "ifs" in that for me to guess at it. I don't know, I am inclined to think that once the protective members of the family are removed from the

responsibility, it will be a long time before the family will be in a position to take care of them or be so disposed.

Q. Mr. Mitchell, can you estimate the percentage of that sixty per cent that would not be physically or mentally able to participate in the relief, direct relief employment, who could not do any part of employment?

A. I don't have the accurate figures on that; I don't have accurate figures on that.

Senator Sanderford: That is all.

Senator Stone: Then your work deals entirely with emergency relief?

A. Not at all—my work primarily is dealing with emergency re-employment.

Q. You deal with working men—with re-employment exclusively?

A. Yes, sir; with re-employment.

Q. When you employ them through your organization for these other agencies, where the work is to be done entirely without machinery, but with men—just work?

A. Oh, no. This employment relief service furnishes potential employers and contractors, industries and all classes of employers and businesses with such labor as they may require, for the particular kind of service which they may need, and we attempt to furnish the kind of men that they need for the performance of that particular service.

Q. That is the only way your organization functions?

A. That is right. We have no connection at all with furnishing any kind of work.

Q. You are more in the nature of an employment agency?

A. Yes, sir.

Senator DeBerry: I want to ask a few questions at this point, along the line of questions asked by Senator Sanderford. I believe that you stated a while ago in answer to questions propounded to you, that about 60 per cent of those who are now unemployed and on your relief rolls, that about that per cent of them, if they could do any kind of work it would be an inferior kind of work?

A. Of those that are on the relief rolls.

Q. Is that true of about sixty per

cent of those now on your relief rolls?

A. No, sir.

Q. Now you were asked a while ago and I believe that you stated that it was a fact that a great many of those now on your relief rolls are people who have heretofore been supported, or in part at least, by some of their relatives and on account of those folks perhaps being out of work, or not being able to get employment, and find out that the Relief Commission will take care of them, is it not a fact that they are now leaving it up to somebody else to take care of them?

A. That is perhaps true, but that is a social problem and not an employment problem.

Q. Well, isn't it a fact that you have observed that that is now being done in many instances? Is that not a fact?

A. I think that it is a reasonable conclusion to reach.

Q. Don't you think it is a fact that that is actually being done—don't you know that is a fact?

A. I think in a great number of cases that that is being done of necessity.

Q. Now then, there is another thing that I want to bring out. Don't you think that a man would rather work eight hours a day, doing work around where he could work in the shade part of the time and draw \$2.40 per day for that work, then to go out in the field and work for six bits a day doing cotton picking or chopping cotton ten hours a day?

A. I don't think there is any question about that, but—

Q. (Interrupting) Don't you think that that is a contributing factor—don't you think that that would kill a man's pride and don't you think that that practice should not be continued—

A. I do not know anything about farm labor—

Q. Do you mean to tell me that in your re-employment work you are not concerned about and do not consider the agricultural unemployment?

A. Yes, sir, but the government has an assistant director in this office—and field men all over Texas, that handle that situation—who handle that special phase of unemployment. We work in cooperation with

them. Mr. C. W. Woodmans of Fort Worth is the man in charge of that work.

Q. Then your re-employment relief does not extend to the rural districts?

A. Oh, yes, but not with relation to the agricultural re-employment, except in cooperation with Mr. Woodman.

Q. Now, getting back to my initial question—we are trying to analyze this situation—this 60 per cent of the people that you state are on your rolls, why is it that there are so many on your rolls who are unable to take care of the work that may be offered—that is what I am trying to get at—don't you think that it is a fact that a man had rather work eight hours a day and receive \$2.40 for that work than to go out and work in the field, picking cotton or doing work of that kind, work ten hours a day where he would really have to get up and hit the ball and really earn his money, and receive six bits a day or maybe a dollar a day for that work?

A. Yes.

Q. Don't you also think that will cause those folks who go out and want to work, and are willing to work for six bits or a dollar a day and really do an honest day's work, to become dissatisfied when they see these people who are on the relief rolls getting \$2.40 per day for an eight-hour day and work about half as hard as they do?

A. I am not familiar with the relief situation and the conditions that you set out there?

Q. Now I will ask you this question—in the public works program and the relief program, if they pay a man more money, or higher wages for less work, if they work shorter hours and get higher pay, than the people who are able to pay only six bits or a dollar a day for a real day's work, would not you, taking it to yourself, would not you rather have the work or take the job that would give you the higher pay, or the higher wage?

A. I should think I would.

Q. Don't you know that you would?

A. I do not have any figures on that—I should think that you have the different programs confused. There is a relief program and a

work—a public works program which employs the men at \$2.40 per day, but they are only permitted to work \$2.40 per day for two days a week.

Q. Do you have any figures on that?

A. I really do not recall the number of days at this time.

Q. Well, if he works two days a week, and receives \$2.40 per day for the two days that he works, he is still ahead of the man who goes out and works for six bits a day?

A. That is right if that is the way it is done—I do not know about that.

Q. Now, there is something else that I want to get clear in my mind in reference to this re-employment that comes under the twenty-four million dollar highway program. Do all of those people who work on those jobs, do they come off the relief rolls?

A. No, sir.

Q. They do not have to come off the relief rolls?

A. No, sir.

Q. They do not have to come off your rolls?

A. No, sir. Senator, my rolls are made up without respect to whether they are on the relief rolls—the only requirement is that they be unemployed.

Senator Moore: Your duty, Mr. Mitchell, is to find employment for those who request employment, rather than creating work?

A. That is right.

Q. In other words, your function is to make a list of those who are out of work, and have that list ready for any employer who may require a certain amount of work or a certain number of employees for any particular piece of work. You find out what kind of men they can use. If a certain number of men of a certain classification are desired for a certain job, you select a certain number of men from your rolls for that work. That is the way you are doing it?

A. Yes, sir.

Q. You are just running an employment agency?

A. That is exactly it.

Chairman Purl: Any further questions?

Senator Murphy: Did you employ

and card the men for the various camps over the State?

A. You mean the Civilian Conservation Camps?

Q. Yes, sir.

A. No, sir, we did not register them.

Senator Woodul: What are your figures on unemployment in Harris County as of this time?

A. I believe the N. R. A. figures show 26,000.

Q. Still unemployed?

A. Yes, sir.

Q. Do you mean by that heads of families?

A. If I remember aright, not necessarily—just the unemployed.

Q. Would you mean to say by that, as I understood you, or did I understand you to say that 33 1/3 of those unemployed are not fit for employment?

A. Those on the relief rolls.

Q. Now then, how many new jobs were given in Harris County by the N. R. A.—have you that figure—have you the information showing the number of people who have been employed in Houston in the development of the N. R. A.?

A. I asked for that data to bring here with me, but I was unable to get it so I could bring that information with me.

Q. According to the newspapers, it was around ten thousand that went on the new payrolls?

A. I think it was something around that.

Q. And there are still 27,000 unemployed in Harris County?

A. Yes, sir.

Q. I believe that Mr. Shaw, who is chairman of the board of welfare and employment in Houston, will be glad to give you those figures—he can give you that information.

Chairman Purl: Any further questions from any member?

Senator Murphy: Is anything being done to prevent the unemployed from other states coming into this State and getting on our rolls?

A. That is one of the purposes of getting these unemployed from our rolls. Then they must be other than veterans with dependents, they must be bona fide citizens of this State. I interpret bona fide citizens to be citizens with six months residence in the county and twelve months residence in the State.

Q. How do you go about obtaining information or attempting to determine that?

A. It is largely up to the local office. We require letters from people knowing them; we check the tax rolls of the county and city, and all such sources of information that is available to us.

Q. What kind of rolls?

A. Well, poll tax rolls—that is one of the sources that is available—and which are checked. If they do not appear on the poll tax rolls or on the property tax rolls, then we require that they get some letter from someone who knows something about them. Generally by someone in the community who is responsible to establish that fact. Most of the counties in Texas, that is not very difficult to do, but it takes a little time to develop those things.

Senator Moore: What kind of physical examination is it that is required, and who pays for that physical examination?

A. That is entirely up to the contractor where we furnish the men. My office makes no physical examination at all.

Q. Then the contractor can require any kind of physical examination that he wants to?

A. Yes, sir. As the employer of labor, he may do that.

Q. Don't you think if a man wants to work, that it would be very unfair and unreasonable to hold them down to a certain physical qualification?

A. That is perhaps true.

Chairman Purl: Who pays for the examinations of these men?

A. That is entirely a matter for the employers.

Q. Do you know whether the individual or the employer pays for that examination?

A. There is no uniformity in making those examinations. A number of employers require it—in a number of instances the employers require the applicant to pay for the examination, and in other instances the employers pay for it. In a great number of cases the employers pay for it.

Chairman Purl: You are speaking of the laborers which I think is fine. It does not seem that we are as much concerned about the unskilled and technically trained man,

the stenographer, the draftsman and other skilled people, who are probably out of work and calling for a job. What I want to ask here about is whether or not there is any provision, or do you have any set-up in your program for placing secretaries, bookkeepers, accountants, and stenographers in clerical positions. What classification of employees are in your files, outside of hard back-breaking labor?

A. All classes.

Q. Then a stenographer who is making a living for his mother and father, who are entirely dependent upon that stenographer's earnings, would he be listed for availability in your files under the classification to which he might belong?

A. Yes, sir.

Q. What per cent, if you know, of that class, or of those classifications of employees, is the classification of those kinds of unemployed, are those employees increasing or decreasing in those classes?

A. We have done very little in placing people in those classifications. We have a great number registered, but very few placed have been filled from our lists.

Q. What per cent of unemployment have you relieved by virtue of receiving cooperation from industries since the cutting of the working hours and more pay—in other words, they have had to put on more help—they are supposed to stagger people and put on more people?

A. In the communities where we have been set up, and were set up about the time the N. R. A. got under way, we are making several placements and relieving the relief rolls in some communities; in other communities, they are in process of just now being set up and work gotten under way, and we can not give you any figures on that.

Q. Do you think then, the N. R. A. is relieving the unemployment situation in Texas?

A. Well, I do not have any specific figures as to the net results of employment. We can say in a city that we employ so many; that is in the last month. We can say that. We do not have the figures as to how many had new employment during that time. I do not know. At the present time I do not know

of any reliable information with regard to the net increase of employment or the net increase or decrease. Most of it is a matter of opinion in my judgment.

Chairman Purl: Any further questions?

Colonel Westbrook: Mr. Mitchell, I believe that you stated that the twenty-four million dollar highway building program would give employment to 133,000 men for one month?

A. For forty-five days.

Q. Will you state your opinion as to the number of days or the number of men who would be given employment for forty-five days from the relief rolls—in other words, I would like to know how many people will get off these relief rolls as a result of the twenty-four million dollar highway building program?

A. It all depends upon the number of folks you have available at the present time who are capable of doing that class of work, Colonel.

Q. We have on the relief rolls of the State at this time Mr. Mitchell, 240,000 families—no, about 180,000 families—how many of those families will we get—might we expect to get off the relief rolls as a result of this twenty-four million dollar road building program?

A. I would say between twenty-five and thirty thousand.

Q. Over how long a period of time do you expect the road building program to last—how long will it take to consume this twenty-four million dollars in this road building program?

A. Well, Mr. Swaim, the Federal Highway Engineer in this district and Mr. Gilchrist, the State Highway Engineer, tell me that they plan to have all the contracts on the Federal Highway Building program let by the end of January.

Q. How long will it last—how long will it take to complete this highway building program.

A. It should begin to top off along in February, and be wound up entirely around by April or May.

Q. Then the twenty-four million dollars will be spread out over a period of five or six months, and in order to get the number of people off our rolls that will result from that, you would multiply the twenty-five or thirty thousand by five?

A. Yes, sir.

Q. Is that a very fair estimate?

A. Yes, sir. However, Mr. Westbrook, the highway program is under way, and the men on our rolls that would be acceptable for this character of work, I am unable to state.

Q. I am just asking for something in the way of an estimate—just striking an average would that be about right?

A. Yes, sir.

Q. Now, as to the public works program, what effect do you think that that will have on our relief load?

A. The public works program will not require as many men hours per thousand dollars spent as the highway program. The extent of public works money that will be spent in Texas, other than on straight Federal projects, is not known at this time. I think a conservative estimate would be something that I would be unable to give at this time, because the information that we have at this time is not sufficient for me to give it. We can reasonably expect a great amount of employment on the public works program if it is matched by the State.

Q. Do you have any information that would—employment is a factor in estimating the number of men who would be taken off of this because on this public works program, because every state is to take care of its relief rolls?

A. I talked to the engineer in charge of the public works program under the Texas Board some two weeks ago, so I could get my organization lined up to serve the public works program, and he stated that he could not start anything short of six weeks—it would be that long before it got under way.

Q. I wanted to bring that out and the effect that it would have on our relief rolls and our relief load this winter. Now, Mr. Mitchell, in how many counties of the State do you have these employment agencies set up at this time?

A. Ninety-eight—and nine of the most populous counties.

Q. I believe that you testified that these agencies are working in collaboration with the commission's set up with the boards of welfare and employment?

A. That is correct.

Q. What would be the effect of the abolition of the boards of welfare and employment in these 87 counties—what effect would that have on your program?

A. Well it would mean that in the less populous counties of the State, we would have to set up our own agencies, or we would have no employment agencies or organizations at all, and I do not know what means we could use to set it up, because it is not financed.

Q. Do you depend upon the State Rehabilitation and Relief Commission of Texas to assist you in carrying out the program and if so, what effect would it have on the work you are attempting to do if the Texas Rehabilitation and Relief Commission should be abolished—what effect would the abolishment of that organization have on the working of your program?

A. Well, our whole program is based on the fact that we have this cooperation between the State Government and the Federal Government, and the Federal Government's recognition of the Texas laws creating that commission. In consequence it is a cooperative effort and in the event of the dissolution of one member of the agreement of the cooperative effort, they would be left high and dry.

Q. Now Mr. Mitchell, I will ask you how many individuals would it have been necessary for you to employ, to handle the employment work in the rural counties of Texas, to carry out your program—approximately how many?

A. We could not have employed any in the rural communities, we have used the boards of welfare and employment, and their office facilities in the more populous counties throughout the State; about thirty-two to date.

Q. But you ought to have individual employment agencies in the rural communities of the State?

A. That is right. That was handled by the county administrator?

Q. Now Mr. Mitchell, these employees that you have had to go on our payrolls, in going through out the State, I believe you stated that you had to have the approval of the director—I would like for you to

state whether or not the Director of Rehabilitation and Relief Commission in Texas has assumed any sort of influence on you in the selection of those employees, political or otherwise?

A. Most of these employees, as a matter of fact, have been selected by me or one of my representatives. I do not think that the State Director of Rehabilitation and Relief has refused to approve anyone whom I have selected.

Q. Now Mr. Mitchell, about the N. R. A. program, do you have any idea as to whether or not the shorter working hours on that program, has had the effect of putting more men to work, or whether or not in the beginning it has been without effect in that respect—are you able to make a statement in regard to that?

A. I might make a statement in regard to that, but any statement I might make in regard to the ratio of employment would be purely speculative, and whether it would be worth anything to this committee would be doubtful—it would be entirely a matter of opinion. One guess would be as good as another.

Chairman Purl: Any further questions?

Senator Woodul: This twenty-four million dollar program for highways, that is to be used over a period of two years isn't it?

A. That is the total amount appropriated.

Q. And in reality it just about takes up the amount of money the State has been spending on building roads when they took off this one cent gasoline tax, and it is not really creating any new jobs?

A. That is right.

Q. If they did not have that, they would have that much less money to spend over that period?

A. I am not familiar with that, but I understand that the State over a two year period, has spent somewhere close to that figure.

Q. In other words, the government is issuing bonds instead of the State of Texas, to build these roads?

A. Yes, sir.

Senator Collie: If these county boards of welfare and employment are able to handle these funds without requiring additional expense to your department, and the jobs be

under government supervision and regulation, do you know of any prohibition in the law that would make that objectionable?

A. I do not know how it could be handled because you would have to have somebody to take care of it. It cannot be handled without having somebody to look after it.

Q. Your department, the public works program, and the State Rehabilitation and Relief Commission are all three coordinating departments, each are operating under the rules and regulations of the Federal Government?

A. Yes, sir.

Q. Senator Murphy: When you furnish these contractors with these men needing employment, are these employees to be taken for so many days a week or month?

A. It is in accordance with the Federal Government which requires or provides as to the number of days per month, and the number of hours per day. My department is not concerned with the policy of making work for the labor, but in furnishing labor for the projects. That is its function.

Senator Small: I move that we now recess until 1:30 p. m.

Chairman Purl: The Senator from Potter moves that the Committee recess until 1:30 this afternoon—

Thereupon the question was put and the motion prevailed.

Afternoon Session—September 25, 1933.

The Committee of the Whole met at 1:40 p. m. on this date, with Chairman Purl in the Chair:

Mr. Byron Mitchell on the stand.

Chairman Purl: You have got how many offices in Texas?

A. We have nine permanent—which we hope will be permanent offices and we have eighty seven temporary offices.

Q. Now, then, the central office is here in Austin?

A. My office is here in Austin.

Q. The central employment office?

A. I don't do any employment here in my office.

Q. You have nine besides your office.

A. Yes, sir.

Q. And your office is here in Austin?

A. Yes, sir.

Q. Would you mind naming the nine offices, what towns they are?

A. El Paso County, Tarrant County, Dallas County, McLennan County, Bexar County, Travis County, Harris County, Galveston County and Jefferson County.

Q. Now, then, the man in charge of the Dallas office, do you appoint him?

A. Yes, sir.

Q. Who is he?

A. Mr. I. L. Peterson.

Q. Where is he from?

A. From Dallas.

Q. A local citizen there?

A. Yes, sir.

Q. Do you know how many employees he has under him?

A. He has three and the City of Dallas also furnishes one. We have a small employment office there; it hasn't opened up, it is in process of being opened up this week.

Q. They haven't had an office as yet?

A. It is in process.

Q. I just want to ask this one question while they are getting ready down there. You were in office in the Department of Labor, you went in in July of this year?

A. Yes, sir, July 16th.

Q. You are under the Department of Labor in Washington?

A. Yes, sir.

Q. Under Miss Perkins, who is a member of the cabinet?

A. Yes, sir, head of the department.

Q. Are you familiar with a pamphlet, Serial R 22, gotten out by the department, Frances Perkins, Secretary, and Isidor-Lubin, Commissioner, titled "Trend of Employment?"

A. I have seen the pamphlet; I am not familiar with it in all its details but I have seen it.

Q. Do you think employment increased or decreased in July?

A. ? ? ? ral proposition is that there was not any great ? ? ? in July.

Q. ? ? is concerned?

A. No, sir.

Q. Now, if Miss Perkins says that in July there was an increase of 7.2 per cent in employment and 7.9 per cent in payrolls and she says that these figures represent or are based on reports supplied by 18090 establishments in 89 of the principal manufacturing industries of the

United States, these establishments reported 3,023,831 employees on their payrolls during the pay period ending nearest July 15th, whose combined weekly earnings were \$54,553,-744. The employment reports received from these cooperating establishments cover approximately fifty per cent of the total number of wage earners in all manufacturing industries of the country. If that be true, would you have a pessimistic outlook for this winter or not?

A. I think naturally there is going to be an increase in employment; it is beginning now.

Q. Would it take more or less funds in the next nine months than it has in the past?

A. For what?

Q. For relief under Mr. Westbrook's supervision.

A. There are two parts to the answer to that question. We are faced with this sort of a situation; the unemployed who are off the relief rolls their resources are being exhausted. We are faced with what looks like a paradox; that is, employment is increasing and the number on the relief rolls is increasing at the same time; that is a fact.

Q. Well, this last question and then I won't take up the time of the committee. You say that you do not secure any of your help from the register of so-called "relief employees," in other words when a fellow is out of a job and stranded and can't find a job and comes down here and gets a job at \$2.40 a day chopping weeds, you don't recruit your organization from that list?

A. Yes, sir, we register a man who is unemployed from the relief roll and without regard to the relief rolls. If he isn't gainfully employed, we register him.

Q. Do you take your list from any of the relief committees over the State?

A. We call the people in that are on the relief rolls and interview them and see what they are qualified to do, make a record of whatever work they are qualified to do, if any; just as the people who are off the relief rolls are invited to come in and register.

Q. How far up to date is the list?

A. Out of the 254 counties in this State we are setting up as of today in ninety-seven counties. Our list is

necessarily very incomplete as of today.

Q. If someone telephoned today they wanted a civil engineer, a surveyor and a stenographer, where would you get your list?

A. Try to get it from the county where the work was required. I could get it in full here in Travis County.

Chairman Purl: Any further questions of Mr. Mitchell from any member of the committee or member of the Senate or House member?

Senator Woodward: None from me.

Chairman Purl: That is all, Mr. Mitchell, thank you very much for being with us.

Mr. Lawrence Westbrook resumed the stand.

Chairman Purl: You will continue in your own way, either continue yourself or put on other witnesses; I assume the committee wants you to.

Mr. Westbrook: Mr. President, you were asking some questions a moment ago. I think you asked Mr. Mitchell—I thought I might elucidate—you preferred to this pamphlet the Secretary of Labor put out. That conforms to what the University of Texas has gotten out on the employment situation. This shows that in July there was an increase in Texas of about six and a half per cent, nearly seven per cent, which is about the prevailing percentage in the United States, and in August it went down and is now less than it was in October, 1932. The present trend is also downward throughout the country.

Chairman Purl: Is downward?

A. At this time, at this moment. Notwithstanding the N. R. A. and all that it is trying to do the present trend is downward; yes, sir.

Q. What do you attribute it to?

A. I don't know; just the reports that have come in. I would explain that these figures are based on reports from nine thousand business firms in Texas. They report every month the number of people on their payroll.

Senator Murphy: I understood you to say this morning that whole list showed that the number of unemployed was decreasing?

A. No, that the number of un-

employed was decreasing who are not on the relief rolls.

Q. These figures show that the number on the relief rolls is increasing.

A. Yes; one main reason is that so many are going on the relief rolls. So many of these people, their resources are playing out.

Saturday, Senator Woodward, you asked me to furnish you a memorandum of the agreement with the Federal Emergency Relief Administration; what they said they would do. I have that here, shall I read it?

Chairman Purl: All right.

Mr. Westbrook (reading):

Memorandum of Informal Agreement of Federal Emergency Relief Administration:

"The Federal Emergency Relief Administration will provide funds for relief in Texas on the basis of one dollar of Federal money for each one dollar of State money under the following conditions:

"1. State funds, to be considered on the above matching basis, must be administered in accordance with the rules and regulations of the Federal Emergency Relief Administration. The Federal Emergency Relief Administration does not assume to dictate to the State the method of administering State funds, but reserves the right to limit Federal funds on the matching basis to the proportionate amount of State funds disbursed in accordance with the recognized principles of relief as prescribed in the Federal Emergency Relief Administration Rules and Regulations.

"2. In consideration of compliance by the State with the rules and regulations of the Federal Emergency Relief Administration, the Federal Emergency Relief Administration will defray the administration costs during the period in which the Federal funds are made available from its share.

"3. The matching basis herein proposed will be continued through the month of March, 1934, after which a new agreement based upon the then existing conditions and resources will be made. Present Federal funds are estimated to be sufficient to last only through March, 1934.

4. Allocations to political sub-

divisions, in order to justify Federal participation, shall be determined by actual need as certified to by county boards of welfare and employment, and further approved and certified to by a commission.

"5. The Federal Emergency Relief Administration reserves the right to form its own estimate of the needs of the proportionate part of each estimate.

"6. The Federal Emergency Relief Administration will defray the entire cost of transient relief in Texas.

"7. The Federal Emergency Relief Administration will defray the entire cost of the Federal re-employment service in Texas."

Mr. Westbrook (continuing): On No. 4 I would add in there "local organizations recognized." It does not say that, but I will.

Chairman Purl: What is the date of that?

A. That agreement was an informal agreement made with Mr. Hopkins the last time I was in Washington; I don't recall the exact date but it was about the 6th of September.

Mr. President and members of the committee, before Mr. Mitchell was called I was discussing with you the factors which might influence the estimates for relief in the coming winter. There was one factor which I did not reach before we called Mr. Mitchell and that was the probable effect on the relief rolls of the carrying out of the agricultural adjustment program. I am sure you are all familiar with that. It calls for reduction in the basic agricultural crops of the country and in Texas it applies to cotton and wheat, which employ the majority of the farmers of this State. The program, as I understand it, will require a cut in the acreage of approximately fifteen per cent on those two crops. We feel sure that that will have some influence on the number of people who will have to be taken care of during the coming winter. I do not think that it will mean that fifteen per cent of the people engaged in making these two crops will go on relief but I believe it will mean that a large number of them will, because manifestly it does not require as many people—will not require as

many people to produce the cotton crop and the wheat crop in the coming year as it has in the year that is just past. I wanted to bring that out.

And in that connection I met at noon a man who has given very considerable careful thought to that and I discussed it with him for just a moment, and, carrying out my expressed intention of giving this committee all the information possible I asked him if he would not give you a statement relating to it. Mr. Peter Molyneaux, I think, is a more proven student of matters of this kind than anyone else in Texas and I would like the permission of the committee for Mr. Molyneaux to give us his views on this for a few minutes and submit himself to any questions you may wish to ask him. Have I your permission to do that?

Chairman Purl: All right.

Peter Molyneaux, having been duly sworn by the chairman to tell the truth, the whole truth and nothing but the truth, testified as follows:

Chairman Purl: I think it is needless to introduce Mr. Peter Molyneaux. He is known to all of the Senators and the citizenship generally. I am mighty glad to have you with us, Mr. Molyneaux.

Mr. Molyneaux: I met Mr. Westbrook at noon and he told me that he was going to bring this subject up this afternoon and asked me if I would not appear before you and make a statement. I told him if it was agreeable to the Senate I would be willing to do that.

What I would like to make a statement with respect to is the effect this will have on cotton. I am not as familiar with the wheat plan as I am with the cotton plan, because it effects our people more vitally than anything else in the State.

The plan, roughly, is this: It is proposed to reduce the cotton acreage of the South next year to twenty-five million acres. That will be done, first, by renting from the land owner a sufficient amount of cotton land to reduce the acreage utilization for planting cotton to twenty-five million acres. That twenty-five million acres will be prorated among the cotton growing states and the most that Texas will be able to get

out of that will be forty per cent of the whole, which will be ten million acres. Ten million acres is the acreage that was planted in 1910; and since 1910 we have increased the number. There has been a net increase of owner-operated farms, though not very large, but an increase of tenants, tenant farmers, of approximately about 80,000, according to the census figures. I may say with respect to tenants that there is a very grave suspicion that the census figures do not get the total number of tenants. People should be in there that are not so classed. In any event there are 80,000 more tenants on cotton farms in Texas than there were in 1910, the last time we planted as small an acreage as ten million acres.

It is apparent that one of two things will happen. There is no choice.—I better go on and continue with the plan that we have just been discussing the aspect of that. That appears first to be a processing tax on cotton, similar to the one that was applied to gasoline of one cent per gallon. That tax amounts to \$21.00 a bale—the one they would levy would probably be as much as \$21.00 a bale, 4.2 cents a pound. They propose to take that processing tax less the cost of distribution and prorate it among the cotton producers. In the case of tenant farmers, the landlord would get that share. I mention this; you will see as I proceed that it is important. That share of the domestic allotment, as they call it.

The way they figure how much a man has coming to him, they will take his average crop for the previous five years and will take arbitrarily about 40%, what the consumption was during that period and apply the processing tax on that 40% of that crop less whatever the administration cost is.

That plan is going to create one or two conditions. My belief is that it will create two. Some places it will create one and some places the other according to which is the most convenient to the land owners. It will either reduce the number of tenants operating on the land or it will prorate the smaller amount of acreage among the tenants.

Now, another important feature of

this plan, which must never be overlooked, is that the government is renting this land which is being retired from production. The government pays a cash rental of from three to eleven dollars an acre. This is approximately better than one-fourth of the cotton which could be produced on that land at ten cents a pound. They would for example pay three dollars for land producing seventy-five pounds an acre. That runs all the way up to eleven dollars an acre. It is a rental a landlord would not hesitate to rent all his acreage to.

That means that the average tenant would have to cultivate something nearly forty per cent less than what is normally cultivated by tenant families. The argument they give in defense of that plan is that it will affect the price of cotton to such an extent that the tenant on the smaller acreage will make more money, including the domestic allotment, than he would on the larger acreage.

Now, it must not be overlooked that they are putting a large tax on the cotton. I don't care where you put a tax on cotton or any commodity between the original producers and the consumer, it is a burden on the price of the product to the original consumer and affects the price and may easily affect the price more than the income from the tax. I am not saying arbitrarily that it would or would not except that it would tend to put the price upward on the whole crop including that part which would be exported.

The question I would call your attention to is this. If it is true that the tenant will make as much on the smaller acreage as he would on the larger acreage, then in the case of share tenants, which is the dominant plan in Texas, the landlord would also have a larger or as large an income from the reduced acreage than he would from the larger acreage because he would get the prorata share of the cotton and his prorata share of the domestic allotment.

If that is so, why then is it necessary to pay the land owner an adequate rental for the acreage that is retired from production?

Now I ask that question because there is this answer to it. The an-

swer is that one landlord in a hundred or a thousand, who has a fairly good business head, would believe that he was going to get more income or as much from 60% of his acreage as he would from a hundred per cent and consequently in order to get the cooperation of the land owner they are going into it as partner on the expense and rent the land outright and the government retires it from production.

One important factor to be taken into consideration is that the land which the government rents cannot be used for the production of any commercial farm product, whether it be a crop or anything else. You can't plant feed to feed cattle on it.

Chairman Purl: Mr. Mollyneaux, if you can stop right there. The time has arrived for us to go back into the Senate. I think there is a messenger from the Governor out there. If there is no objection, we will go into the Senate now and receive the message from the Governor and then come back into the Committee of a Whole.

Senator Holbrook: I move, Mr. Chairman, that we stand at ease for five or ten minutes.

Chairman Purl: If there is no objection, the committee will stand at ease for five minutes.

(The Committee of the Whole thereupon stood at ease from 2:05 o'clock p. m. until 2:10 o'clock p. m.)

Chairman Purl: The committee of the whole Senate will come to order.

Pardon me, Mr. Mollyneaux, for interrupting you? If you will proceed.

Mr. Mollyneaux: I said that there is an answer to the question why it is necessary to rent the landlord's land outright. No landlord of good business judgment would consent to such a plan if he had to take the risk and reduce acreage without being compensated for the land in the form of rent. But in the case of a tenant, not every case either; where the number of tenants are reduced, where the acreage is prorated he has no choice and no compensation. This is my opinion and I think if you will think about it you will see it is very likely that unless there is another unusual year in the production of land due to the conditions as we have had them in the past year that if

anything like an average or less than an average is produced you are going to have want among the cotton producers of Texas, I mean among the tenant class of Texas, which is more than sixty-five per cent, who work at producing cotton. Now, that is my only object; it was only for that I consented to come up here and speak. You don't need to discuss that plan or any element of the plan because that is not what is before you. Certainly there is nothing in that plan that is going to increase employment; there is much in it which is going to decrease it.

Mr. Westbrook told you that the plan has reduced fifteen per cent—I mean fifteen per cent from the acreage existing after the plowing up this year, with approximately an additional reduction of fifteen per cent which would be close to forty per cent of the average acres planted.

Senator Martin: I would like to ask Mr. Mollyneaux a question.

A. Yes.

Q. You say the government is placing a producing tax on cotton that is being produced, to take care of this money that the government is advancing to the southern farmers without—who is that tax to be paid by?

A. The spinners.

Q. Is the government doing that with all other industries?

A. Yes, sir; that is, with all other agricultural products largely, it is not on all agricultural products but most agricultural products, that they have worked out a plan for them, this processing plan.

Q. What is the process tax on that?

A. I don't know.

Q. How about wheat?

A. Well, there is a processing tax on wheat and it has advanced the cost of flour very considerably.

Q. When the present cotton tax proposition became a law they sent agents around to dry goods stores and checked up on overalls, ducks and everything containing cotton?

A. Yes, sir, not only the dry goods stores but the corner drug stores. I will give you an illustration: Padgett, in Dallas, is a leather house, yet they checked on the cotton that they had in there, and on the little cotton that they had they had to pay a tax of \$800.00. Every little corner drug store has to pay a

tax on every bit—any kind of commodity containing cotton. Their contention is, of course, that it does not effect the farmers' products. I don't think that can be successfully defended.

Q. I can't see—

A. Well, that is exactly the way I feel about it. I didn't come here to discuss it.

Senator Murphy: May I ask a question?

Chairman Purl: Senator Murphy.

Senator Murphy: Mr. Mollyneaux, the effects of this reduced production will largely come after March next year, will they not?

A. Well, it will not come after March next year so far as the tenants are concerned it will come on the first of January; the cotton landlord who is planning his year, he is going to reduce his people of the first of January. I don't know, I am not presuming what percentage of the tenants that is going to be, I mean, how many landlords are going to do that. I will say this, if all the landlords in Texas do it, it would displace something like eighty thousand tenant families in Texas. I don't believe there is any question but that it is going to reduce the standard of living—income of the average tenant, because no matter which plan is taken it is going to affect the tenant families.

Chairman Purl: Any further questions of this gentleman? (No question interposed.) If not, I would like to ask Mr. Mollyneaux a question or two.

Mr. Mollyneaux: Yes.

Q. From newspapers coming to your desk, would you say that employment is increasing or not increasing under that plan?

A. I couldn't give anything but my opinion and it would not be worth anything. I would have to check the figures very closely. I know, of course, instances of reduced employment, whether that is average or general, I don't know.

Chairman Purl: Thank you. We are mighty glad to have had you with us. Please make yourself at home.

Colonel Westbrook: Mr. President, and members of the committee, up until this time I have been furnishing you with figures which have been tabulated from a study of the situation and a great many questions have

been asked me about those figures, the size of those figures, their significance, etc. It occurred to me that it would be desirable to bring before you someone who is competent to speak from experience in the compilation of those figures, in their assembly, in the explanation of the administrative system that is used throughout the State in carrying on relief work. I must admit to you frankly that I think the man who would make the best showing from our point of view—I have asked Mr. C. E. Shaw, who is chairman of the Harris County Board of Welfare and Employment to come over here and give you some information relative to the operation of the Harris County Board of Welfare and Employment. That organization is not only the best one in Texas but it is actually one of the very best in the United States; one of the most carefully organized and carefully operated in the entire country. I don't mean to say that we people could get you from other counties anything like as good information and as detailed and as accurate information as we can from Harris County; but I do want you to see what we are striving for; that we would like that sort of an organization built up in every county in the State, and with the permission of the Steering Committee and the President, I would like to call Mr. Shaw and let him make his statement.

Senator Moore: Mr. Chairman, before Mr. Shaw takes the stand, I would like to ask Mr. Westbrook some questions.

Colonel Westbrook: Yes, sir.

Senator Moore: Mr. Westbrook, this chart over here, I wasn't in here this morning when you were asked some questions about this unemployment situation.

A. Yes, sir.

Q. I would like to know about the number on the relief rolls in March, 1933.

A. In March, 1933, we had two hundred and forty thousand families. This chart had been made merely to refer to families, Senator. Two hundred and forty thousand families, seventy to seventy-three thousand single persons, which have grown to a million and two hundred and twenty thousand people.

Q. One million two hundred and twenty thousand?

A. Yes, sir.

Q. In March?

A. Yes, sir.

Q. Now, then, in August?

A. In August of this year about one hundred and ninety thousand families and about fifty thousand non-family persons.

Q. Is that—

A. In August. It was in August. It was, of course—I want to give you exactly—about one hundred and eighty-three thousand the 31st of August.

Q. Now, Mr. Westbrook, the thing I am trying to get at is this propaganda which was started during the campaign, the first two weeks prior to the election on August 26th. I hold in my hand here an article that was in the Dallas Times-Herald, published about August the 17th or 18th, written by Mr. Alex Acheson—A-c-h-e-s-o-n, staff correspondent of the Dallas Times-Herald which quotes Mr. W. H. Kittrell, Jr., as saying "one-fourth or twenty-five per cent of the citizens of Texas were at that time on the relief rolls." How did Mr. Kittrell arrive at that figure and where did he get his information?

A. I don't know, Senator. The figures that we have been working on, getting these statements from the various counties of the State, are compiled, tabulated and corrected; and you must understand that until we have gotten this report system down to where it ought to be, we are going to have a number of duplications in the reports, misunderstandings as to how to make the reports under the old volunteer committee; some of our administrators haven't gotten them down right yet; but I would say at this time that this statement here of two hundred and forty thousand families on March the 1st is correct; it is based on the figures which were supplied in reports from various counties. I think they are largely made up from estimates instead of making actual count. However, since we have been able to get these counties better organized we are getting actual count; that is probably the reason.

Q. Colonel Westbrook, did you arrive at this proposition right now in the midst of the harvesting of the cotton crops in Texas when there ought to be more people at work

right now than at any time in 1933 that the number on the rolls is absolutely increasing rather than decreasing?

A. I think I can explain that if somebody will lend me a copy of our report—will you send for my copy; I didn't bring it back here.

Senator Woodward: Here is one (passing document).

A. During the month of August, Senator, we got the reports of new families added to the relief rolls; that is, people who had never been on the rolls before; they come out of this group here (indicating) unemployed persons who have not already gone on the relief rolls; they are constantly coming from the ranks of the unemployed, who are not on the relief rolls; people whose resources are playing out. During the month of August, notwithstanding the fact that the statement you made right then is true, there were twenty-eight thousand new families that came on the relief rolls in Texas.

Q. Right here. How do you harmonize that, Mr. Westbrook, with the statement published in the Dallas Times-Herald, September 14th that there were ten thousand seven hundred and seventy Dallas workers put on the payrolls in Dallas by the N. R. A. taking ten thousand seven hundred and seventy individuals off the rolls who were put to work in Dallas. You stated this morning that there were seventeen thousand put on the payrolls in Houston. It is all over the country. In addition to that there are hundreds of gins running in Texas which were not running; there are a number of cotton presses that are opening now that were not running then; there are one hundred thousand people being put on the payrolls that were not on the payrolls during early July and August. The thing I want to know is how you can harmonize it.

A. Well, I can harmonize it all right by stating the fact of the matter, Senator, that those people who are coming on the relief payrolls don't come from the relief rolls.

Q. What is that?

A. I say the fact that those people who have been put on the payrolls, as a rule, do not come from the relief rolls; they come from those unemployed persons who have

stayed off the relief rolls. The reason for that is this, that in the N. R. A. program when a man needs new employees he doesn't go to the relief rolls. The people who are generally on the relief rolls are people who have no resourcefulness, enough energy to stay off, and it is impossible for them to successfully compete with the people who are getting jobs. As was testified to by Mr. Mitchell, whose business it is to look into these things, people who are getting jobs don't come off the relief rolls; they come out of that group of unemployed persons who have not yet gone on the relief rolls.

Q. Now, Mr. Westbrook, I don't want to contradict your statement. Each county staff has an administrator under your direction??

A. Yes.

Q. And he has set up an employment bureau in his own organization?

A. That is right.

Q. He is picking those people who are on his relief rolls, and have been for months, and turning them over to the farmers, business men, contractors and others who are seeking employees?

A. Yes, sir.

Q. Now, if that is true in my county, why isn't it true in other counties?

A. That is correct, particularly with reference to seeking people who can pick cotton and work in the compresses; but notwithstanding the fact that we have removed forty-five thousand families from the relief rolls—in spite of that, there are new ones who are coming on who have increased the relief rolls throughout the country.

Q. I want to know how you harmonize your report with this statement by Mr. Harry L. Hopkins, published in the newspapers of Texas on August 17th, in the Associated Press dispatches from Washington—this is dated "Washington, August 16, 1933. A steady decrease in the number of needy families receiving public aid was shown Wednesday in the first official checkup by the Federal relief administration and was noted by Harry L. Hopkins, the administrator, as 'very encouraging.'". Mr.

Westbrook, get that "very encouraging."

"The report showed 3,745,367 families received relief in June. Hopkins said this would show around 15,000,000 persons who were being assisted in the country in that month and compared the figures with 4,222,263 families in May and 4,445,338 in April.

"Expenditures of Federal, State and local funds for relief totals \$66,191,520 in June, compared with \$70,323,506 in May and \$72,651,929 in April.

"Thirteen of the forty-six states covered and the District of Columbia showed increases in expenditures for relief in June over May while five states and the District of Columbia increased the number of families helped.

"Those showing increases in number of families assisted were Florida, Georgia, Idaho, Louisiana, New Mexico and the city of Washington."

Q. In other words, Mr. Westbrook, Mr. Hopkins, according to a statement issued by him on August 16, 1933, made the admission that public relief had been very materially decreased at that time over what it was, in March over May, 1933.

A. Yes; we show the same thing, Senator.

Senator Moore: Now is it not true Mr. Westbrook, that the major portion of the increase or the larger percentage of the unemployment that you are receiving is from floaters or drifters—people who are coming here from other sections of the country, flowing into Texas by reason of the balmy climate that we have here in the Fall and Winter season?

A. No, I do not think that is correct—

Q. Well that is my opinion of it.

A. The only thing that I have to go by, my opinion is based on certain statements coming from these various counties and made by such men as Mr. Shaw.

Q. Mr. Westbrook, how do you harmonize your statement that unemployment is increasing all over the State?

A. I did not say that. I did not say that it was increasing. I said according to the statistics fur-

nished by the Bureau of Business Research.

Q. Where are the facts to sustain it?

A. Well, the facts were furnished to me by Dr. A. B. Cox, who is the head of the Bureau of Business Research of the University of Texas. He got the facts from the nine thousand firms located throughout the State of Texas.

Q. They show that from January—they show that from July and August in Texas, employment had decreased nearly 8 per cent?

A. That is right.

Q. Well, I do not believe it. I do not believe that any intelligent man would believe that.

A. Dr. Cox has that information, and I believe would come here and give it to you.

Q. Do you believe that retail sales in Texas increased during the first fifteen days in September?

A. I expect they did. I do not know it.

Q. Yet employment has not increased?

A. Not according to these figures which I believe are reliable.

Q. Don't you think that this propaganda which was put out in August to a very material degree was simply propaganda to put over the twenty million dollar bond proposition was based on opinions rather than facts?

A. I think it was based on the best information obtainable and available at that time. I do not think that it was entirely accurate, but it showed the condition of the people of the State justified the issuance of the bonds. I do not think that in view of the source of information that was utilized—that together with the reports which we have had from our various county organizations, that it was out of line at all. I think that the people of the State realize the condition which was evidence by the vote that was given to the proposition of amending the constitution so as to permit the issuance of the bonds. I would like to state further that I feel that there will be a material increase in the relief rolls not only in Texas but in other states through the Winter months.

Q. Mr. Westbrook, I am not trying to argue the question with you

—I am not talking about this Winter—I am talking about the present time?

A. I am talking about the future; we have to look to the future and prepare for the emergency that confronts us.

Q. Don't you think, Mr. Westbrook, that to use your office in every legitimate way you could to put this bond issue over in Texas that that was improper for you to do that—don't you think that the people of the State of Texas could have gotten the proper and reliable information concerning the situation that exists without a Federal employee coming down here and spreading propaganda that would lead them to believe that the situation was worse than it really was?

A. I do not know of any such situation as you describe.

Q. Did not you say a moment ago that you used your offices in every legitimate way you could to disseminate information to put the bond issue over?

A. I did not say that I engaged in the spreading of propaganda.

Q. You furnished the propaganda for others to spread?

A. I did not furnish any propaganda at all. I did my best to give them the best information that I could secure. I was naturally interested in seeing the bond issue passed, because I felt that there would be a great number of people who would suffer by reason of the conditions that would exist this Winter if this was not done.

Chairman Purl: Any further questions?

Senator Holbrook: Mr. Chairman, I have a few things that I want to bring to Mr. Westbrook's attention. I want the Secretary of the Committee to read three letters I have here at this time.

Chairman Purl: If there is no objection, the secretary will read the letters:

Thereupon, the following letter was read to the committee by the secretary, same being "Exhibit No. 8."

"Galveston, Texas, Sept. 23, 1933.

"Hon. T. J. Holbrook,

"Austin, Texas.

"My dear Senator:

"Noticing the fight you and other Senators are putting up for honest

and 100% relief for the needy of the State, I desire to acquaint you with the following facts—which may assist you materially—and may cost me by job.

"As you are aware, the original relief committee here had the Rev. E. H. Gibson as its head—and they administered about \$175,000.00 in ten months, at an average overhead of about 1%. Mr. O. L. Tullis, who was appointed in his place, draws \$200.00 per month, and a woman welfare worker, brought from Wisconsin about a week ago, draws \$150.00 per month. Mr. Gibson worked for the love of the job.

"Mr. Ed Hussion of Houston told Galveston friends he had the naming of county committees and county administrators in 35 separate counties—with Jim Ferguson's authority.

"Mr. O. L. Tullis was a resident of Fort Worth when appointed—as county administrator for Galveston County—and about the second day he called all the office force and case inspectors in to get acquainted. He made the usual kind of a speech—but made one slip—that we all remarked at the time and remembered. He told us of his instructions and mentioned 'The Governor' several times—as he wound up he said, 'of course when I have said 'The Governor,' I meant Jim Ferguson—he is the real Governor—not Mrs. Ferguson.

"Mr. Shearn Moody told Mr. Gibson at the Buccaneer Hotel the night of Congressman Clark Thompson's banquet that he (Shearn) did not wish to serve on the new committee that Ferguson had appointed and that he had requested Herman Kleineke to tell Jim so and to appoint Mr. Gibson in his stead, as he had done such a good job and was perfectly familiar with the duties. Shearn said that Kleineke had taken this message to Jim and that Jim had replied that Mr. Gibson has asked a blessing at one of Bullington's rallies in Galveston—which made it impossible for him (Jim) to appoint him to any office. Mr. Gibson, as a minister, can hardly refuse to serve in such a capacity when requested, any more than a doctor can refuse to see a sick man, as you well know. But we all understand that Jim had no hand in naming committee or county administrators or that poli-

tics have played any part in his selections.

"Mr. Davis, the Federal supervisor of this district, told us that the records of the Galveston office were the best and most accurate of any in Texas. Mr. Donnell, the auditor in Austin, has repeatedly complimented us, as had the present administrator.

"I am sure, you must be familiar with the record of J. F. Reed, Col. Westbrook's assistant, and the stories that have been passed around the streets of both Houston and Galveston regarding his leaving the Moody-Seagraves Co. several years ago. They might not be true—but should be worth checking up.

"In placing the above matters before you it is my only desire to assist in keeping this relief work out of the slime it is headed for. I have also remembered your statement that you would see that real relief would be given with the money voted and would oppose all high salaries and waste in its application.

"Yours very truly,

(Signed) "C. J. SWEENEY.

"C. J. Sweeney."

Chairman Purl: We will now take a recess for about five minutes—

Thereupon at 2:38 the committee recessed until 2:55 p. m.

Chairman Purl: The committee will please come to order. All Senators will please take their seats—visitors are welcome here, but we will ask that you please take seats.

Senator Holbrook: Mr. Chairman, I would like to have read into the record, at this time, the following letter from Rev. Edmund H. Gibson, rector of Trinity Church:

Chairman Purl: The secretary will please read the letter—

Thereupon, the secretary read the letter, which is as follows:

"Galveston, Texas, Sept. 22, 1933.

"Senator T. J. Holbrook,

"Austin, Texas.

"Dear Senator Holbrook:

"May I intrude upon your time and good offices to inquire of Lawrence Westbrook why it is that my recent correspondence with his office has gone unacknowledged. I relinquished my duties of chairman of the Galveston County Relief Committee on August 6th, and as of that date an audit was made of all my

books and accounts by a certified public accountant, a copy of which was sent to Westbrook's office on August 19th. I have had no acknowledgement of same. Then on September 13th I wrote Westbrook again, asking for a statement from him relative to the final cancellation of the bond which I have been under since last November. Again his office failed to make acknowledgement. It seems to me that the least I can expect is the courtesy of replies to my communications.

"I have every reason to believe that the final auditing of my books was acceptable, as in addition to the public accountant's auditing a special auditor from Austin went over our records and he told us he was reporting to Westbrook, that our Galveston County books he found to be in better condition than those of any other county in Texas that he had examined, but I do not wish to go on simply on my own assumption. I would like a final personal release from obligations so that I may consider the whole matter closed.

"Greatly appreciating your attentions and with kind personal regards, I am,

"Always sincerely yours,
(Signed) "EDMUND H. GIBSON.
EHG:H"

Senator Holbrook: Mr. Chairman, I would like to have read into the record now, a letter which I have received from Judge J. C. Canty, Judge of the 10th Judicial District of Texas, at Galveston.

Chairman Purl: If there is no objection the secretary will read the letter:

Thereupon, the secretary read the letter, which is as follows:

"Galveston, Texas, Sept. 20, 1933.

"Honorable T. J. Holbrook,

"Galveston, Texas.

"Dear Senator:

"I have noticed in the paper you are one of the advocates for an investigation of the relief work done in Texas. I want to call your attention to conditions in Galveston.

"You know the United Charities have their office in the court house, so I am in a position to know the conditions there. The United Charities have existed for years, and since Mrs. Wood withdrew some two years ago, Miss Mabel McRae, who has

been connected with the charities fourteen years, has had active charge of the work here. She did the work with one assistant. A short time ago Mrs. Dresden, who has her office in Austin, and who has charge of the social work throughout the State, and who comes from the state of Wisconsin, appointed a Mrs. Lynch, also from Wisconsin and seven days in Texas, to take active charge of the United Charities in Galveston. Mrs. Lynch was so confident that the women of Galveston were so inferior that she couldn't look for assistance from our people, so she appointed one woman from New York state and another from Oklahoma, who are now doing active work here. In addition to these, there are five or six others doing clerical work. All of these are under the supervision of a Mr. Tullus, sent here from Fort Worth, as no Galveston man was competent to have charge of helping those unable to find work.

"It does seem to me, Senator, that this Mrs. Dresden ought to be asked something along the line as to why appointments of this kind were made by her, and Mr. Westbrook ought to explain why he had to send to Fort Worth to get Tullus to have charge of our laboring men in Galveston.

"Yours sincerely,
(Signed) "J. C. CANTY.
JCC-MS:"

Senator Holbrook: Now, Mr. Chairman, I want these three letters introduced—these are three letters that I have just casually picked out of the many letters on my desk this morning. I have during the last few days, the last week, received hundreds of letters along this line, setting forth matters similar to those that have been read into the record here. I want to read these letters and have them placed in the record, because they are coming from responsible people, of high standing, and they have come to me among the many letters that I have received and I have culled them from the mass of letters that I have received relative to the condition that exists in Galveston. My people are almost in a state of revolt against this State Relief Administration because of such high-handed practices. They believe that they are high-handed, dictatorial and are working for the money they get out of this, when the good

people of our city have been willing to handle this distribution of the relief funds so that every dollar, practically is given to the relief of the emergency condition that exists—they do not feel that it is right, and I do not feel that it is right, or the intention of the State or the National Government that a single dollar of his money should be expended unnecessarily for administrative expense for the relief of humanity, and our people resent the fact that they have imported a lot of political parasites from without the State, and from within the State, to conduct this work, and I believe that every member of this Senate does not approve of any such practice. This practice should be stopped by the legislature, and I believe that they are not going to authorize the issuance of this twenty million dollars of bonds or any part of it until they know how this money is going to be spent. I do not believe that they want this money to go into the hands of the Texas Rehabilitation and Relief Commission to be handled in this way.

Chairman Purl: Senator Small—I believe that Senator Small has a telegram that he desires to be placed in the record along with these other telegrams: If there is no objection it will be read into the record:

There being no objection the telegram was read into the record and is as follows:

"Henderson, Texas, Sept. 22.
"Senator Clint Small,
"Austin, Texas.

"Two or three months this summer professional baseball players, Henderson team Dixie League, were compensated as such to extent of fifteen to seventeen dollars per month our Reconstruction Finance Corporation funds by local board Stop This fair sample of how public funds being wasted and misapplied local chairman confirms.

"JOE L. HILL, JR."

Chairman Purl: The Chair will recognize the gentleman from Travis:

Senator Hornsby: I have a letter here which I would like to introduce in evidence—I think it is very pertinent at this time—

Chairman Purl: If there is no objection the letter will be read into

the record—the Secretary will read the letter:

Thereupon the following letter was read by the Secretary:

"Houston, Texas, Sept. 23, 1933.

"State Relief Investigators,

"Dear Sirs:

"Wish to call to your attention of the way Houston's Bureau of Bodily Disabled Relief Department is run. Every one says employ home labor. Here's the truth. Instead of giving disabled men a ticket on a cafe and helping to promote a better business they are all put in a rooming house run by a man, Robert Keys, who isn't a citizen of Texas. He receives 70 cents a week per man for a cot and then gets \$1.50 per week for cooking their meals, and all groceries is furnished free by the Relief Commissary. He gets \$2.20 per man unless the man is a bed patient and then he gets \$3.25 per week; in this they claim there is no graft. I say there's plenty. In this place there is close to 50 men at all times. Mr. Moor or Mr. Whitgen, some one is getting rich—I don't think you'll do a dam thing about it, but I'm telling you.

(Signed) "WESLEY LYNCH,

"1217 Ryon St., Houston Tex."

Chairman Purl: Gentlemen, what is the pleasure of the Steering Committee—as to the admissibility of these letters—

Senator Woodward: Mr. Chairman, I suggest that these three letters that have been read into the record from the people of Galveston concerning the conditions there, be placed in the record, and that Mr. Westbrook be questioned about them—

Senator Hornsby: I want to say that Judge Canty is a man of the very highest standing, a man of unquestioned integrity and is a man who would not make a statement unless it was based on well founded facts. Mr. Westbrook as the head of the Rehabilitation and Relief Commission should be given an opportunity to explain what he knows about these matters, and I think that as head of that organization he should make some statement as to why that correspondence has not been replied to—

Senator Woodward: I would like to have read into the record two letters that I have from the administra-

tor in charge of the work in Tom Green County—I would like to have his letter read and the accompanying statement that is attached to it:

Chairman Purl: If there is no objection the Secretary will read those into the record:

Thereupon, the following communication was read into the record:

"19 West 19th Street,
"San Angelo, Texas, Sept. 16th, 1933.
"Hon. Walter Woodward, Senator,
"Austin, Texas.

"Dear Sir:

"I am enclosing a copy of a letter to Lawrence Westbrook of this date in reply to a telegram as follows: Reference list employees Stop List should include all persons on administrative payroll and salaries but not employees on work relief basis Stop Compile as of September first Stop Must be mailed not later than tomorrow in any case Stop Send fastest mail special delivery. Lawrence Westbrook, Director.

"I wish to say that in the listed employees in the office there was only one that was of any assistance to me; the others were ornaments placed in the office to pay political debts. C. S. Jamison, who only claims to have a third grade education, but was very active in the campaign of Governor Ferguson here last year. Mrs. Beazley was also active in the campaign and introduced Mrs. Ferguson when she spoke here. Mrs. Beazley is not a stenographer and has very little if any office experience. She was paid \$100.00 per month to drive Mr. Jamison around in her car to check up on the cases that applied for relief and they had to be assisted by myself and Carrol Bates, the only person that I had in the office that was any assistance to me. There was also a Mrs. Wilder—an old friend of the Governor, who was able to do in one week what an office clerk could do in one day. When I informed Mr. Boley that I was unable to keep up with my work, that Mr. Bates and myself could not do all the work that was required by the elaborate system of office work that they had set up in Austin, and get the reports in on time, he informed me or instructed me to hire someone able to do this work and carry them as work relief and not as administration.

"It seems to me that a simple method of record-keeping can be used that will require a very small amount of help in the office and let the rest of this money go to the needy.

"I hope this may be of some help to you and if there is any other information that I can give you, I will be glad to do so.

"Respectfully

(Signed) "C. S. NESOM
"C. S. Nesom."

Senator Woodward: I would also like to have read into the record at this time the copy of the report as made by Mr. Nesom as administrator at San Angelo.

Chairman Purl: The Secretary will please read the report.

(Thereupon, the Secretary read the following report into the record):

"19 West 19th St.,
San Angelo, Texas,
September 16, 1933.

From: C. S. Nesom

To: Col. Lawrence Westbrook,
Director of Texas Rehabilitation and
Relief Commission, Austin Texas.

Subject: Administration.

Reference to your telegram 3 p. m. this date requesting a list of all persons on administration payroll as of September 1st, list follows:

C. S. Nesom, Administrator,
monthly salary \$100.00 with use of
personal car.

Hazel Beazley, monthly salary
\$100.00.

C. S. Jamison, monthly salary
\$75.00, \$60.00 carried as adminis-
tration and \$15.00 as relief work.

Carrol Bates, monthly salary
\$62.00, \$50.00 carried as adminis-
tration and \$12.00 as work relief.

Nellie Wilder, monthly salary
\$60.00, \$45.00 carried as adminis-
tration and \$15.00 carried as work
relief.

The above method of carrying the workers was upon the instructions of J. J. Boley. In addition to the above on the instructions of J. J. Boley, Geneve Guethals was used in the office for four days; E. V. Morris for five days, and Lillie May Graham for three and one-half days at the rate of \$2.40 per day during the month of August.

The above listed employees were

placed in the office by J. J. Boley without my consent or even consulting me as to the amount and class of workers that I needed.

Respectfully,

C. S. NESOM."

Senator Holbrook: Who is this Mr. Boley?

Chairman Purl: The Senator from Washington.

Senator Stone: I understand that Mr. Westbrook has a gentleman here from Houston who wants to get back and I think it would be well at this time to let Mr. Westbrook put this gentleman on—

Chairman Purl: I believe that that was the plan that was decided upon—that Mr. Westbrook would direct this testimony as he saw fit—just offer it as he wanted to, either now or later.

Colonel Westbrook: I would be perfectly willing to go into this matter of these letters that have been read into the record here, but for the fact that Mr. Shaw is here from Houston and he desires to get back as quickly as he can—has to get back tonight, and I will answer the questions in regard to these letters that have been referred to here whenever it is convenient for the committee. We will just defer that until tomorrow morning, if that is satisfactory to the committee.

Chairman Purl: That is entirely satisfactory as far as the Chair is concerned—you may go ahead and direct the putting on of your testimony as you see fit, and we will defer the matter of questioning about those letters and any answers you desire to make, or any explanation you have to make until a later time—

Colonel Westbrook: I think that I had rather at this time ask Mr. Shaw, who is chairman of the Harris County Board of Welfare and Employment, to tell you how the Harris County relief organization functions and have asked him to permit you to question him regarding the functioning of that organization and tell you how he has assembled the information or made up information upon which we have based these reports which have been given to the committee in response to your resolution. If I may be permitted, I will at this time call Mr. Shaw.

Senator Woodward: He is not the county administrator?

Mr. Westbrook: No, sir, he is chairman of the county board of welfare and employment—

(Thereupon, Mr. C. E. Shaw, being duly sworn by the Chair to tell the truth, the whole truth and nothing but the truth, testified as follows):

Mr. Shaw: Mr. President and members of the committee: I appreciate the compliment that Colonel Westbrook paid me to call me here to take part in this discussion, but it is to him that the major part of the success of the work of the organization is due in Harris County. I took charge of this work about two months ago, but the splendid work of my predecessor, Mr. Wise, is largely responsible for the working of the Harris County organization.

Senator Holbrook: I would like to know who this man is and how he came into office and what position he now holds there—

Chairman Purl: I believe if you will just give him a little time, Senator, he will cover that—he can not tell the whole story at one time.

Senator Stone: If the Chairman please, I move that the gentleman be allowed to make his statement without interruption—

Chairman Purl: You are passing it up to me—and if there is no objection, the Chair will hold that he be permitted to make his statement, and without interruptions, and then he will submit himself to answer questions.

Mr. Shaw: I have been chairman of the Harris County commission since in July. I have been on the commission since last—I have been working with the commission since last March and have been very intimately associated with the work, and giving a lot of my time to the relief work there. I think that I am pretty familiar with the way the work has been conducted in Harris County. Now regarding the organization in Harris County, we have a county administrator who has charge of all departments. We have an intake and a social service department which investigates these various cases that are reported to us. That is the department where the case workers are employed, and they

make an investigation of all cases that come to our attention to determine whether or not the relief should be continued. That department has 76 employees, I believe. We try to take care of as large a number of these cases as the case worker can handle, but our experience has taught us that a case worker can not handle but about 200 cases. We have not been able to do more than that. There has been a lot of discussion as to the number of employees that are in this service, this department, but in many instances it has proven very valuable to have these case workers, because as a result of the efficient work they have done, quite a number of persons have been taken off the relief rolls, and since that work has been perfected to the point where it is now, we have taken about 200 families or cases off the rolls. It is necessary that a check-up be made on these cases at least every two weeks, and these case workers have been kept very busy at that, for one week conditions may be such that they will need help from the organization, and then the next week conditions may change so that they will not need the amount of relief, or perhaps no relief that they were entitled to before that. Realizing the importance of this work, we have recently added three more case workers to this force.

In the public works program in Houston, many of these people on the relief rolls have been used in conjunction with the county and city in cleaning bayous and drainage ditches, and we have enough work of that kind to continue for a year or more with all those who are available on our relief rolls.

They have been doing good work; the work has been under the supervision of the county engineer, who has been loaned to us to supervise that work by the county commissioners, and I believe that we have been getting some very effective work done, and work that could not have been done by the county for a number of years to come—that is in the nature of some of the public work program that has been done there. The emergency relief organization is composed of a man in charge of placements to investigate and see the type of work the men are able

to do, and also we have a surgical or physical examination department to see that the men who are assigned to a certain type of work are physically fit to perform that work.

We have a commissary and accounting department that accounts for all our expenditures and is careful to see that every penny that is expended is properly accounted for.

In addition to that, we have had our accounts audited by J. Phillips & Company, certified public accountants, of Houston, who have three men working continuously on our organization records, and checking them so that our expenditures come under the closest supervision of a public accounting service. That in brief is the set-up of our organization in Harris County.

When we first started in this work, the public works program, we called for workers; there was a call for them and only about three thousand reported for work out of the ten to eleven thousand that we had on the relief rolls. We got out and got after them and got about 1,000 more. Then we went to Mr. Wise, who was then the chairman of the Welfare and Employment Commission, and told him that we had been letting the case workers, or leaving to the case workers, to determine whether or not a man was able to go to work. We have not been able to get one-third of the people on our rolls out to work. Then it was determined to require every man who was on the relief rolls, who was not in bed, to report to a doctor for physical examination, and let the doctor determine whether or not he was able to perform the kind of work that he was called on to do, and not take the report of the case workers. This was done, and we had in the neighborhood of 7,000 who submitted themselves to examination. As a result of that study, we became convinced that in Houston that no more than one third of those on our case load were employable. We made a complete analysis of that from the standpoint of medical and surgical examination and having reported that to Mr. Westbrook, he suggested that we continue our study of all of these people who were not able to work.

Of the people on our relief rolls who could hold different jobs, he asked us on what basis we had made

our original estimates and if we could not get a definite, scientific basis of determining whether or not the people were capable of being employed.

We called into a meeting some fifteen employers of labor in Houston, trying to get a cross-section of the employment work in Houston and asked what the qualifications were which they required, personality, education or what. As a result of that conference and brief contact with the employers of labor in Houston we set up the types of individuals who could be employed and the physical requirements.

As you all know, until the last few years a number of companies have not had standard medical requirements for employment. The State Industrial Accident Board and the requirements for that insurance brought that about and I am not criticizing that at all. I think it is right that men in the country should be protected by the employer, but if pre-existing conditions make them subject to an accident they are not responsible for it. For that reason employers of labor in Texas have had to provide strict medical examinations for employees.

We had to determine what that was in Houston before we started, then decided that after making that investigation, and made three groups: first the requirements for employment in the major industries, companies that have annuity programs and benefit programs, companies that had no program of that kind but fairly strict medical examinations because of the danger of accidents to employees; and then a third group of men who might get a job here and there and no steady employment; and a fifth group of men who couldn't get any employment at all. The fourth group is a man who now has some physical disability and a medical operation would qualify him so he could get a job in either the first or second type of employment.

After it was approved by Mr. Westbrook, who was then in Washington—we sent it to him for his inspection—we selected eighteen men who were experienced in interviewing people and schooled them for a week, actually had them interview some of our men who were

on work relief. As an additional check we had our men interviewed twice. In addition to that we had the men estimate what kind of work they thought they could do, so we had a double check, then had them all examined to see whether or not they could pass the necessary examination for the type of job they thought they were qualified for.

Statistics are trying but I will give you the result of the initial part of that survey. This represents 2070 clients who have now been examined. These are the percentages represented in this report and are high, first because they are the people who are able to come down for examination. We have some five hundred who are sick and not able to come for examination and interview. It does not also include 1535 people who were called "disabled"; single men and women, mostly men who were superannuated, who have physical defects and cannot be employed at all. These reports indicate the percentages I give you.

As I said before there are 1535 who are disabled single men who could not work anywhere and there are 907 families who have no adult males in the family to work. Out of these families of 907 there are a large number of women who have young children they could not leave, could not take jobs even if they were available. We estimate over here that perhaps 600 of these women might get jobs. If you take credit for that full amount and take the first figure, take the 2242 men who could not work and the women it will total over 21.1% in the number of our case load which is 12,654. It would mean that these figures I am giving you should be increased 19% because 19% could not get a job. If we figure the very best possible check out and say that there are 600 of these women that could work if they could find jobs, we would then reduce—have to reduce the figures I am giving you by 14%.

As I said before, we had to interview these people twice to determine their employability, checked by a medical examination. We had the man himself estimate what he thought he could do. Of the 22,070 five hundred and twenty-three, or 25%, could get jobs in major industries. That is checked by the

doctor; that was the interviewer's estimate. Of the men themselves six hundred and thirteen thought they could get jobs, or 30%. It is very striking to realize that these two are that close together, only five per cent difference.

In that group that might be qualified for a major industrial job, according to the interviewer and the doctor's subsequent check, there were eighty-nine who had something wrong with them that could be corrected by a surgical operation such as hernia and things like that, 4.3 per cent. Against that 4.3 per cent, 5 per cent of the men thought they had conditions that might be corrected; and under the very best conditions if they had those conditions corrected, only 25 per cent. These are all whites; we don't have the colored in yet for examination. 29 per cent of the group we stated could get jobs in major industries and 35.5 per cent according to their own estimate. Only 35 per cent thought they could get jobs and hold them.

Dropping down to the second business or industrial group, that takes in your stores etc., 405, or 25% who were estimated by our interviewers that they could get those jobs. There were 449, or 21 per cent whom the workers themselves estimated they could get these jobs. There were 172 curative conditions in that group that might be corrected by surgical operation, 8%. 198 of the men thought they could get jobs. The total number of people including those who might have medical correction so as to qualify to get a job in a major or secondary business or industry is 32 per cent, that is from actual study of the work of the worker—I am sorry, 32 per cent is a single group of those who could get jobs. The total of the first and second is 61.3 per cent if they all had the proper medical correction, and on the men's estimate themselves there were 66.2 per cent. From that these two work estimates must be reduced by at least 14½ per cent and perhaps by 19 per cent; that would bring the total down to about 42 per cent. That is the very best we can hope of employability. That also would be a little high in view of the fact that we are not getting in the first

week of this study the people who are not able to get around; it does not include some five hundred who are bed-ridden. I have not discussed these people because when they get well probably some of them can qualify in the upper groups.

Of those people who probably could not get a job at all the estimate of the interviewers was that 585, or 28 per cent, could get probably casual work but could not hold regular jobs, and of the employees themselves there were 548, that is almost the same number, who did not think they could hold down regular jobs.

The number of those folks who were entirely disabled because of heart trouble or an amputated limb or some other crippled condition was 140 in the interviewer's estimate and 148 from the clients, or about 7 per cent in one case 7.1 in the other. That estimate is low because it does not include 1535 disabled men who do not have families.

Mr. Hopkins said our estimate made in Houston was accurate. When he was here about a month ago he advised that it was going to be necessary to pursue a course that was entirely different from what he had recommended because they had hoped that the N. R. A. public works program would furnish sufficient relief to make further relief unnecessary. He was very anxious to complete this work so if it reflected their original estimate they would carry it out in other cities. The survey so far has borne out our original estimate almost to the dot.

As to the re-employment in Houston, I have a report from Captain Golding, adjutant under General Wolters, given to me in Houston. The increase in permanent jobs in Houston was 5002, those who received part time jobs 5476, according to their survey of the unemployed in Houston. I might qualify that by saying that a lot of those are simply "swap" jobs. I know of a number of cases of people who were employing colored help at three or four dollars a week and when the N. R. A. came in and they were going to have to pay \$14.50 they said they were going to have a white man working; a lot of them are just swaps. In a lot of other cases, where they had messenger boys in drug stores and the

like, that they were paying a few dollars a week, where they said if they had to pay the \$14.50 required under the codes they would just discontinue that service; and the increase in our relief rolls, which I will tell you about in just a minute, reflects that situation.

The N. R. A. army of 1500 men reported 26,603 unemployed in Houston. That is the minimum. I thought it was low when I got that report so I asked our folks in our work relief program to make some estimate or some survey to see whether or not they had been interviewing anybody to ask him if he was working. Here is what one department reported to me: Mr. Coker, in charge of the replacement bureau, had 42 people working on work relief. Out of the 42 only one man registered in the N. R. A. as being unemployed; and he said also in that replacement bureau we have the people coming in who are on our relief rolls getting assignments of work and during this time we are here working on these projects, dispensing food and that sort of thing and he said there were sixty people in the waiting room at that time and he inquired of all of them and only two-thirds of them had been signed as being unemployed. One of these said, however, that they didn't go to every resident, that they interviewed three in his block and then got the next.

We count 26,603 in Houston unemployed as the minimum. We have more than that, I am certain; and this survey was made in Houston after the blanket code was put into effect and had been in effect about a month, and we had obtained perhaps the major part of our re-employment which we could hope for. There will be some further change of course.

That twenty-six thousand, subtracting from it some twelve thousand on our relief rolls, represents the potential number of unemployed that we may have on our relief rolls before spring. Some of these have casual jobs coming up, but as I say, this is the potential.

As to the reduction of our relief rolls that I spoke about a minute ago, I can give you some specific figures regarding that. In August we had from men who had families applications and acceptances—a number were not accepted but those

who were accepted were 1495 men with families. During the same month there were families taken off the relief rolls 1712, making a net reduction of a little over two hundred. Of the single men who did not have families there was an intake of 227 and a reduction of 103, so the net reduction during the month of August was very small in Houston, as I said. For that reason our committee authorized additional case workers to make a more thorough analysis of our situation to be certain that people who got jobs were taken off our relief rolls and this indicates that we will have a reduction in the folks on our relief rolls this next month.

One other thing; a gentleman raised the question this morning, whether I would rather work one day at thirty cents an hour or pick cotton for one week at sixty or fifty cents a hundred. I have a report from our committee according to instructions from Mr. Westbrook, a report from our social service bureau, some eight pages; where they refused to pick cotton, taking jobs at sixty or fifty cents a hundred, our instruction were that they be removed from our relief rolls. We also instructed our social service division that those people who were removed would not be returned without being individually approved by the committee, so we are not letting anybody get by with reference to taking a job. That is very important also in order that Mr. Mitchell's organization function properly or show proper coordination. Anybody who refuses to take a job will be immediately removed from the relief rolls so far as Harris County is concerned and they cannot return to the relief rolls until our committee approves them.

I could talk on here for an hour, probably all statistics. Perhaps it would be better for you folks to ask questions and I will try to answer them.

Senator Stone: Mr. Shaw, how long have you lived in Houston?

A. About three years and a half.

Q. How long have you been connected with this relief work down there?

A. Since last March.

Q. Who are the other members of your county board in Harris County?

A. Bert Childs is the treasurer, M. E. Foster, editor of the Press, Mr. Cleveland, who is vice-chairman of the community chest, and Mr. Will Strauss, who recently conducted the drive for the bond issue, publicity.

Q. Do you know the political line-up, whether they are in favor of the present administration or against it?

A. I can make a confession; myself, I am a Republican by birth and association. I don't stick strictly to my political affiliations; I vote for whoever I think is the best man. I voted for Sterling and I voted for Hoover. Of the other members of the committee, Mr. Strauss, who managed the campaign for Ross Sterling certainly voted for Ross Sterling. Bert Childs is likewise a Republican. As to the other members I am not positive as to their political affiliations or attitude in the governor's race.

Q. With that sort of a set-up do you think there are any political appointees in Harris County?

A. I don't think there were; I know I am not.

Q. What other work are you engaged in?

A. I have charge of the industrial relations office of the Humble Oil Company.

Q. How long have you had charge of that work for the company?

A. About three years and a half.

Q. What line of work is it?

A. It is a kind of employment—medical supervision of our employees, administration of our annuity plan and sickness plan. We give sickness benefits without compensation. Scientific supervision of publications and training, that general type of work in the interest of the employees.

Q. Had you had any previous experience along that line?

A. That has been my home since I graduated from college.

Q. What college did you graduate from?

A. Columbia, in New York.

Q. When did you graduate?

A. Graduated in 1920.

Q. What other companies have you worked with?

A. The Standard Oil Company of New Jersey.

Q. Did you start with them after you got out of college?

A. Yes, sir, nine days after I graduated.

Q. Now, did you take a degree at Columbia in this line of work?

A. I spent the last two years in college—I had the good fortune of coming in contact with Colonel Todd and he interested me in this work and my last two years in college I devoted to study along the line of employer-employee relationship.

Q. What was your connection with the board before you became chairman of the board?

A. Mr. Wise was chairman of the board in Harris County. He was vice-president of our company and he delegated a lot of that work to me working with him and I did a lot of the work for him.

Q. When did Mr. Wise first become connected with it?

A. Mr. Wise was chairman of the community chest in Houston for about two years, I think it was, and prior to the Federal government assuming or taking over this work he was administrator for the community chest.

Q. How many employees have you on your rolls at Houston?

A. On the administration of the work relief, of this program?

Q. Yes, sir.

A. We have 119.

Q. Of these 119 how are they selected and by whom?

A. I selected two personally. The others were selected by the department heads under whom they work.

Q. Did political affiliations have anything to do with it?

A. So far as I know, nothing whatsoever. The pay is so small the jobs are not very desirable.

Q. Don't you think, as chairman, you would have known of it if political affiliations had entered into it?

A. I am certain I would have known of it. So far as my knowledge is concerned no political affiliations had anything to do in the selection of anyone doing the work in Harris County.

Q. Do you know what it costs to do the work in Harris County?

A. \$12,264.00 a month, or 7.7 per cent of our disbursements.

Q. Has that percentage of cost increased or decreased in the last month or two?

A. It has decreased slightly in the last month. I can give you that

exactly for the past several months if you wish it. In July it was 8.7, in June it was 10.2, in May it was 13.4. You see we have had a general reduction.

Q. May 13.4?

A. Yes, sir.

Q. You have gotten it down now to 7.2?

A. 7.7.

Q. 7.7?

A. Yes, sir.

Q. Do you expect you will be able to decrease that any further?

A. I am afraid we are going to have an increase, because I don't think right now, during the time when jobs are not available, when the general trend was not towards employment it wasn't so essential to have working contact with the people on the relief, but now that there is, at least we hope there will be jobs a plenty, we want to have a closer contact and the case workers must handle them.

Q. What do you mean by case workers?

A. Every case is investigated to determine whether or not they should receive relief. Our city is divided up into areas, one person is assigned to an area and she is responsible for the families in that group. She is also responsible for the amount of relief which they receive; she issues them relief orders every time they get any relief. She is supposed to know exactly the status of that family, regarding their needs before she gives them orders.

Now, there is a limit to the number that a case worker can handle. We have run up as high as three hundred; that is too many.

Q. What do you mean?

A. Three hundred families for each case worker. That is too many; Mr. Hopkins says that is too many.

Q. You mean keep up with them all the time?

A. To make investigations. Orders are given generally every two weeks; every two weeks they are supposed to contact the family and know what its status is.

Q. In other words, the case worker is supposed to give you a new check-up every two weeks on everybody on her list?

A. To determine whether or not they should continue to receive re-

lief and also to determine whether the amount of relief shall continue as it was.

Q. How long have you had the case worker system there in Harris County?

A. Harris County has had the case worker system some time; it was originated several years ago under the Community Chest, because we have always taken care of our unemployed in Houston through the Community Chest. We have never had more than six hundred on the relief rolls at any one time. Our number of case workers have not been nearly as large as it is now. We have had the organization built up and have used case workers for a number of years, I don't know how long. Our committee simply took over the organization which was in existence under the Community Chest and added to it as the occasion required.

Senator Neal: Will the gentlemen yield?

Mr. Shaw: What is it?

Chairman Purl: She wants to ask you a question.

Senator Neal: I want to ask if nearly all social work is not now based on case work?

A. That is true. Effective social work is based on case work.

Senator Stone: Mr. Shaw, due to your experience, your schooling, your training with the Standard Oil Company, with the Humble Oil Company, with the education that you got in Columbia, is this cost of administering relief work out of line or in line with what it should be?

A. I think that our cost in Houston, it may be a little higher than some of the other cities, is thoroughly justified. I personally feel if you don't have administrative expense that your relief cost would be many times higher in proportion to what it would have been if we had not had administration expenses.

Q. With your teaching in Columbia, what has been your experience with reference to the handling of administration funds like these by local organization?

A. Well, I think a local organization is the only one that can do it effectively.

Q. Some other political organization, say like a commissioners court or something like that?

A. Of course, you would always have a possibility of complications there which you folks know as well as I do. I know our own court in Houston; I know that Judge Ward and the rest of them are fine gentlemen. I don't think they can administer that account except with an organization like we have.

Q. You beat me to the next question. Can any board like the commissioners court administer this without cost?

A. Absolutely not. If they try to do it, their cost is going to be several times what it is now; they couldn't do it. What would happen would be this. If you didn't investigate those families to see whether they should receive relief and continue receiving relief you would have people on the rolls long after they had jobs and could support themselves.

Senator Holbrook: Mr. Chairman, will the chairman permit me to ask a question?

Chairman Purl: Just one moment. If the Senator from Washington will yield.

Senator Holbrook: Will the Senator from Washington yield for one question?

Senator Stone: Just one question.

Senator Holbrook: Having a local organization, such as we have in Galveston to administer this fund without cost, practically without cost, being about one-third of the amount which it is costing now, would you recommend that rather than spending 7.7 like you do in Houston?

A. I wouldn't say that unless I knew the exact set-up.

Q. Then you are only speaking from observation in Houston?

A. That is correct; yes, sir.

Senator Stone: Mr. Shaw, what do you think would be the cost of a complete change of your organization, turning it over to someone else to handle?

A. I don't know. That is difficult to estimate. If they continue the same organization, study the cases, to determine the cost, whether or not they should receive relief, follow it up as adequately as our committee there is doing it, there should not be much increase.

As to the question of who handles

it, our committee is entirely volunteer. We don't receive a dime. As Colonel Westbrook knows, I objected strenuously to being given the job. Personally, I would like to see some of the others get it because it has taken a tremendous amount of my time. Since I have taken it I haven't left my office before nine o'clock in the evening, and most of that time has been spent working on this program.

Q. Mr. Shaw, what is the difference between an able bodied person and a person held to be competent under the Workman's Compensation Act?

A. Under the Workmen's Compensation Act in Texas, as most of you folks know, if a man has a pre-existing condition and he has an accident which may have resulted from his pre-existing condition, the employer is responsible. Now, for the employer to protect himself against any such possibility in our work, he has been forced to provide for a fairly strict medical examination. Each company has to judge for itself whether they should be protected.

Q. Mr. Shaw, what do you hope finally to cut your case worker load down to?

A. That is every individual case worker?

Q. Yes, sir.

A. Well, I don't know. Mr. Hopkins says the idea is one hundred and fifty. Whether or not our committee will feel justified in increasing our case workers to that point. I am not quite certain. We put on three more case workers when we found we were not getting the people off our relief rolls in August as we thought we should. We probably will have to put on more; that will be determined after we find out the trend.

Q. Do you anticipate that because your relief work is going to increase during the next month or so?

A. Yes, beginning with October.

Q. In the number of persons and the cost of relief itself?

A. That cost of relief will be increased. As we all know, the cost of commodities, prices, has been increased within the last month; vegetables and food have gone up. In

the winter months we will have the question of fuel and warmer clothing. We just recently provided proper clothing for the children on our relief rolls so they could go to school without being too greatly humiliated. We had also to supply them with books and material so they could study, which expenditures were made from our relief rolls. We don't want our children to be humiliated or without the proper education. Our problem later on with those children who go to school will be to provide lunches for them at school out of our relief fund. That is going to increase the cost per case during the winter months, fuel, clothing, etc.

Next month we are going to have a considerable reduction in our case load in Houston. I am certain we are going to have a considerable reduction next month because we have brought pressure to bear on those people who would not go out and pick cotton. We just cut them off the rolls. As soon as cotton picking is over, naturally the people will come back to Houston and we will have an increase in our case loads. It is our hope that the case loads will soon be re-adjusted in proportion to what it should be as the result of the N. R. A. program. We have been disappointed in that respect, and for that reason, as I said, we have increased the number of our case workers to be certain that we would get the maximum amount of reduction of case loads.

Senator Stone: That is all, I believe. Thank you.

Senator Woodul: May I ask a question?

Chairman Purl: The Senator from Harris.

Senator Woodul: Mr. Shaw, with reference to the Harris County situation, you say you are a Republican, you just grew up that way up north, didn't you?

A. I said by birth and association.

Q. Politics, you are not interested in?

A. Not at all. I will say that I generally vote a split ticket.

Q. I believe you stated you would be glad if somebody else would take the job?

A. I would be ticked to death, I would be glad to get out of it.

Q. There is Mr. Cleveland on there, one of the trustees, he is from an old family, and has been interested in public affairs for years, hasn't he?

A. He has been very active.

Q. He is a retiring man; Mr. Cleveland?

A. Yes.

Q. He is beholden to nobody in politics, is he?

A. Not that I know of.

Q. And if he thought anybody wanted to do wrong he would get off or raise a row, wouldn't he?

A. He would; probably the whole committee would resign if any pressure was brought to bear on it.

Q. Mr. Strauss, down there, is there anybody more independent than he is?

A. No.

Q. If somebody did go to him and suggest any political job it would be just too bad, wouldn't it?

A. I believe so.

Q. You couldn't chisel in through him?

A. That is right.

Q. You say he is a Republican?

A. He confesses to be a Republican.

Q. He has a great deal of experience in handling employees?

A. Yes, sir.

Q. Well, your job, everybody that gets a job with the Humble Oil Company, has to get it through you?

A. Through my department.

Q. Through you or somebody under you?

A. Yes, sir.

Q. I believe Mr. Strauss for eight years was president of the community chest?

A. I believe so. He was campaign manager for Governor Sterling.

Q. So we have got a pretty airtight organization in Harris County?

A. I think so. As I say, if political pressure was brought to bear on us, I think the whole committee would resign.

Q. Are those gentlemen conducting things in Harris County the way they should be, ought to be?

A. We are doing our best to conduct it that way.

Q. Now, occasionally do you get some complaint from somebody who is on the relief roll that he is not

getting the things that he just ought to?

A. Naturally. We don't expect to administer fifteen thousand case loads, twelve thousand families and single people without having some complaints. It is impossible.

Q. Occasionally people who are unfortunate that way, like all poor people, there is a certain per cent of them that won't be satisfied?

A. That is right. As you say, some of them you can't satisfy. With others, mistakes are made; we make mistakes sometimes.

Q. In this relief work in Harris County, I believe you stated mostly the work has been used for drainage?

A. Mostly for drainage.

Q. That is because in Harris County we have a fall of about a foot per mile and one of the most serious problems of that county is drainage?

A. That is correct.

Q. And that is the kind of work that is recommended and that this program has used?

A. Yes, sir; the major part of it is that kind of work.

Q. I understand you people furnish those men to the county engineer there, who acts as overseer for them, has general supervision of those people there?

A. That is right.

Q. Do you know, or has it ever been brought to your attention that anybody on the relief rolls in Harris County is on there improperly that he was not taken off?

A. No, sir; if a man refuses to work and he is able to work, we cut him off. Those are our instructions.

Q. Now, this matter of your committee, isn't it a fact that J. Phillips & Company do the auditing and have been auditing the records of the committee since it started using funds down there?

A. That is correct; yes, sir.

Q. Isn't it also a fact that the only charge that they have been making is merely the amount that they paid a particular man out of their office who is doing the work?

A. Well, they have three full time men, it isn't done by one man; it is quite a job; they audit everything that goes through. As to their charge, I understand Mr. Wise made arrangements with them, he told me

the arrangement was that they would charge purely for their costs.

Q. The cost of the men employed on the job, there wasn't any profit to them?

A. That is my understanding. However, I have an appointment with Mr. Philips next week and will go into that in detail. However, I am sure that is right.

Q. They have been doing that ever since such an audit was made in Houston?

A. Yes, sir.

Q. Has there been some complaint because you did not file your goods at one place or the other, that is, groceries and things of that kind that you delivered to those people?

A. There has been some complaint by some of the retail grocery stores that we didn't buy food through them instead of depending upon our commissary; but all during last summer, as you gentlemen know, we were on short rations as far as money was concerned. If we were going to take care of those people, we had spent our money, and we had to buy the best way we could, but we managed to purchase supplies at a saving of about—Mr. Mitchell, about one-third wasn't it on the cost?

Mr. Mitchell: Forty per cent.

A. About forty per cent.

Q. You bought where you could buy the cheapest?

A. Yes, sir. Our saving was about forty per cent of what it would have been if we had purchased through these chain stores.

Q. The groceries that you deliver there, are they supposed to be balanced rations?

A. We put on recently—we tried to do it before—we recently put on someone to make a study of the rations approved each week, to have them balanced. A dietician studies that and makes recommendations and we have tried to conform to that as nearly as possible.

Senator Rawlings: I want to ask a question along those lines. I think it is pertinent. It is along the lines of the questions asked by Senator Woodul.

There is an exhibit in your report filed with Colonel Westbrook, page 523 of Exhibit "E," which gives the tabulation by percentages of the sta-

ple food prices increase as of September 15th in comparison with April 1st. It compares localities such as Houston, Brownwood, Waco, Fort Worth and El Paso.

Fruit increased in Houston one hundred and twenty-seven per cent as compared with seventeen per cent in Fort Worth; in El Paso twenty per cent. Can you account for that increase?

A. Well, the increase in labor—

Q. This is an increase in the price of commodities which is marked, bacon so much, sugar so much, lard and milk, and the last item is fruit which shows an increase of one hundred and twenty-seven per cent in Houston.

A. All commodity prices have gone up; that is one of the aims of the N. R. A., frankly admitted.

Q. Can you tell me why fresh fruit in Houston increased one hundred and twenty-seven per cent to you whereas it increased only seventeen per cent in Fort Worth during the same period of time?

A. No, sir; I can't.

Chairman Purl: Will you kindly stop for a minute, Senator Rawlings. The time has come for us to go back into the Senate. I don't believe there is any need for doing that and unless there is objection I will take the position that we have the unanimous consent not to go back into the Senate now but will just go ahead with this witness.

Senator Woodward: Mr. Chairman, at the proper time I am going to move that we have a night session of the Senate.

Chairman Purl: If there is no objection we won't go back into the Senate now, but will go ahead with this witness.

Senator Woodward: Why wake up a sleeping lion?

Chairman Purl: Because my attention was called to the fact that we should carry out the instructions and go back into the Senate; I am powerless to do otherwise. Unless there is objection, we will go ahead with this witness. (No objection interposed.)

Senator Rawlings: Mr. Shaw, the price of potatoes increased in Houston seventy-four per cent; in Fort Worth twenty per cent. Can you account for that?

A. Those are individual cases. I have not studied them.

Q. These are not individual cases; that is what you have paid for your stuff.

A. The difference between Houston and Fort Worth I don't know. I would have to find out definitely about the commodities.

Q. Well, take bacon, in Houston it increased twenty-nine per cent, in Fort Worth only ten per cent. Can you tell me why that difference?

A. No, sir; I can't.

Q. Can you tell me why it cost you 66% more to buy beans down there than in Fort Worth, where it only cost 25%?

A. We may have had some contracts in those cases that may have given us an advantage for a limited time. I don't know whether those percentages represent a fair estimate of the cost or whether they would not have cost it; percentages don't mean anything.

Q. This exhibit says those figures are based upon actual purchases made by commissaries of the Texas Rehabilitation and Relief Commission; and that the increases as reflected by this exhibit are based upon prices you paid for them in Houston?

A. If we paid 75c per bushel for potatoes in Houston and they were worth \$1.25 in Fort Worth, the percentage of increase, in Fort Worth would be greater than ours, but those percentages mean nothing unless you go back to the basis of your purchase price.

Q. This exhibit was put in here as reflecting the cost of these goods. You think it is because prices have gone up; you say that percentages don't mean anything, is that right?

A. Percentages between towns does not mean that we are not purchasing as cheaply as they are in Fort Worth.

Q. Can you tell us anything about that?

A. No, sir.

Q. Who is in charge of that?

A. Mr. Moore. He is the head of the commissary work in Houston. He wouldn't know what Fort Worth is paying.

Q. Would you know whether he is buying it at the right prices in Houston, or not?

A. We check with the different

people who sell commodities in Houston and we get pretty good prices. We make a survey every week of what our commodity prices are in comparison with the retail stores and that is consistently about 40%.

Q. Who are these purchases handled by? How are they handled?

A. We have a purchasing department.

Q. Your organization includes a good many people; one individual who has charge of the buying of potatoes and beans?

A. Do you want to know the name of the officer?

Q. I want to know how these things are bought?

A. We have in our organization a purchasing department; they do nothing but purchase.

Q. Is that composed of members of your relief committee down there?

A. No, sir, it is employed help.

Q. It is employed help?

A. Yes, sir.

Q. What title do they take on?

A. Well, we have a purchasing agent, an auditor, disbursing division. Mr. Hendricks is manager; we have a statistician; we have some cashiers.

Q. I want to get these fellows located; you have got a list of them here, but who is actually in charge of the purchasing of supplies?

A. Mr. Mitchell, do you know how many people we have in our purchasing department down there? (No response interposed.) I have it here if I can find it. I am sorry I can't find it any quicker.

Q. Well, can you tell me whether it is one man, two, three or five? What kind of an organization does your purchasing department consist of?

A. I think there are three people in the group. Do you know, Mr. Mitchell, exactly how many? (No audible response interposed.) Three, that is right.

Q. What does Mr. Mitchell know about it?

A. Mr. Mitchell used to be, as he told you in his testimony, he was auditor of the work in Houston before he was put in charge of the employment work of the State.

Q. So you can't give me that information?

A. I have it here; I can get it for you; it is in here somewhere; I don't seem to be able to find it.

Q. Well, if you can't tell me who does have charge of it, can you tell me how they handle it with reference to bids?

A. Bids are posted on the bulletin board so that everybody has access to them. Bids are not posted but the prices are posted so that the newspapers and anybody else can go there and see what we pay for the commodities which we purchase.

Q. You fix the prices? You don't receive competitive bids on commodities?

A. We have competitive bids, yes. I mean when a commodity is purchased the price is posted on the bulletin board. Sometimes the newspapers come down there and want to make a story of our organization; and that story is open to all persons. We make a practice of posting on our bulletin board our entire operations.

Q. You post on your bulletin boards the prices which you are paying for them?

A. Yes, sir.

Q. Now, then, if you wanted to buy a car load of potatoes what manner of bid would you receive on it?

A. We would find who has potatoes for sale and get the best bid we can from those people who have them for sale. We usually make those purchases through jobbers and wholesale organizations in Houston.

Q. Do you send out a general notice to the people selling these things in the market or is it limited?

A. No, sir, it is not limited to anyone.

Q. What manner of publicity do you give it?

A. We get in touch with all the companies that have potatoes for sale.

Q. How do you get in touch with them?

A. Either by telephone or by letter. It depends upon how urgent it is. For example, we were held up on account of funds all during the summer months and couldn't purchase because we didn't have the funds; when we got the money we had to purchase right away.

Q. That was an emergency case?

A. It has been an emergency all during the summer because we didn't have funds on hand that we could depend on.

Q. You say you haven't had the funds to purchase the stuff that you needed?

A. Funds that we could depend on.

Q. How do you get those funds, Mr. Shaw; is there a certain amount of money set aside each month?

A. We make our estimate as to our requirements but Colonel Westbrook has been tied up with funds; he hasn't been getting them regularly from Washington; we can't hold him responsible for us not getting funds on time; it will clear things up for us if these bonds are issued; we will know exactly where we stand and we can certainly do better purchasing, by planning ahead, than we have in the past.

Q. Do you make up an estimate of the amount of money you are going to need for each day—what period do you cover?

A. We cover several months.

Q. When was your last estimate filed with him?

A. About a week ago, I think it was.

Q. What period of time did that cover?

A. That covered up through the remainder of the year—no, up through March 1st.

Q. You filed your estimate with him a few days ago setting forth your needs to March 1, 1934?

A. Yes, sir.

Q. How much money did you ask for?

A. It varied from month to month.

Q. Over what period?

A. What is it?

Q. You made up an estimate covering the entire period?

A. Yes, sir, from month to month.

Q. How much was the total?

A. I don't remember, I don't have it with me.

Q. Approximately.

A. It would run about—it would be about six months, wouldn't it? That would be pretty near a million dollars for Harris County.

Q. For what period of time.

A. For six months period. About a million dollars.

Q. In other words you figure that at the present rate you will need two million dollars a year in Houston?

A. Yes, sir.

Q. What is that based on?

A. Case load.

Q. Case load?

A. Our case load now in Harris County, that fluctuates, as I told you before, we had an increase of seventeen hundred families, new families—fourteen hundred—last month. We have a total number of families in Harris County of eleven thousand one hundred and seventy-one and one thousand non-family people who are getting support and eleven hundred and seventy-four transients,—twenty-four hundred and seventy-six, of that about four hundred are transients; the remainder of single people in Houston who are able to work, we assign them to that division because we can make them work on that program.

Q. How much money was spent in Houston for relief purposes in August—approximately?

A. About one hundred and forty thousand—one hundred and forty-five thousand.

Q. Your cost of administration was twelve thousand and something, wasn't it?

A. Yes, sir, about 7.7 per cent.

Q. Can you tell me why it cost you twelve thousand dollars in Houston to administer one hundred and forty thousand dollars when it only costs eleven hundred dollars to administer seventy-eight thousand dollars in Tarrant County for the same period?

A. They apparently do not have the case workers organization that we have in Houston; most of our expense is in our case work.

Q. You spend that on case work?

A. Principally. I don't know what their organization is.

Q. How often do you have your organization down there classify those folks; contract them?

A. It is supposed to be done every two weeks. It has no value unless you follow it up because the value is in following it up; as soon as they are able to take care of themselves you cut them off the rolls.

Q. You have a card index sys-

tem by which you classify them as to whether they are able to work?

A. Yes, sir, a complete report is made weekly; we clear our records; make them work. Now, when money is not available; we hope to start next month those people work equal to the amount of relief that they receive. We have a complete detailed record of each man on which is entered a record not only of the amount of work he gets, the amount of money he receives but a report is made by the foreman as to how efficiently he has done his job; the foreman reports on them.

Q. What are your figures as to the cost of administration?

A. Twelve thousand two hundred and sixty-four dollars.

Q. Twelve thousand two hundred and sixty-four dollars. Have you seen this report that Mr. Westbrook has filed with us, that is, with the committee?

A. I glanced through some of it, I didn't read it.

Q. It only shows ten thousand seven hundred and sixty-seven dollars. Do you know the reason for that discrepancy?

A. We added, as I told you, two case workers last week.

Q. That was last week? This is during the month of August.

A. I don't know specifically. We had twelve thousand two hundred and seventeen dollars case workers, other expenses and salaries dispensed have been one thousand seventy-five dollars, our works division, that is our placement department two hundred and sixty-two dollars and other general expenses two hundred and twenty-five, our doctors and surgical division six hundred and forty, expenses in the surgical division, ninety-five.

Q. Are there any special qualifications for those case workers?

A. Yes, sir, most of them, practically all of them are graduated from a technical school for case work; most of them have attended college; it is a job that you can't pick up anyone and have them do it effectively and get results; you have to have someone trained to do the job, otherwise, you might as well not have anyone. So far as our case workers are concerned, they have had training in social cases; most of them have had col-

lege training, college graduates; seventy-eight per cent of them are college graduates.

Q. Do you make any distinction between welfare work and relief work?

A. I should say not. Welfare, it is relief work, isn't it? I believe there is a more important factor in this case work than simply saving money. For example, I went out to South Houston last Saturday morning to inspect our new quarters for our transient bureau and I picked up a man and brought him to town. He was coming in to get his commissary order; his attitude was all wrong. This money was coming to him, he ought to have it. "My children are going to pay for it, therefore it is due me." Now, if you have the proper case worker you are going to maintain the morale of those people out of jobs; she can do effective work unless she has too large a number.

Q. Is that a part of the duty of those case workers to keep up the morale?

A. That is one of the primary essentials of the job.

Q. That is one of the primary essentials of the job, to go around and encourage them?

A. Yes, to see if they are entitled to relief. They don't get it unless the family is in need. Those are two primary jobs of the case worker.

Q. The primary job is for the case worker to go around and console those people?

A. No, to set up jobs; to see that the money is expended properly; that no one is getting money from our funds unless the family is in need and they have no other means of support.

Q. How long does it take a case worker to analyze one of those families?

A. It depends on the family; it depends upon conditions.

Q. Well, on an average?

A. Oh, it may take an hour or it may take a half a day; it has to be done. It has to be done every two weeks.

Q. They analyze them every two weeks?

A. Yes, you have got to go out and find the changes; there is a tremendous change in two weeks;

a man may get a job in two days that will change the status of the family. You have to know what is going on in order to handle your clients.

Q. How do you contact those clients; do you canvass their homes to see whether the client is out of a job?

A. No, sir, if we did that we would have possibly double as many on the rolls as we have now.

Q. These case workers go back to see the client every two weeks?

A. That is the idea because we have too many. That is the idea, we ought to do it, we are not doing it because we have too many cases. If we are able to get our case load down to where it should be, much lower than it is now; but in order to do more effective work now we would have to have more case workers.

Q. You must have more case workers?

A. That is my opinion.

Q. Well, wouldn't it be better to use that money for those people instead of paying it out for analyzing them?

A. There are a lot of people on the relief rolls, who as I have said before are individuals who had savings enough to take care of them in their declining years but who woke up during the depression and it was all gone; they are too old to start back in industry.

Q. I want to ask you, Mr. Shaw, as a practical problem, I 'am not trying to be facetious about it. Do you think we ought to spend this money analyzing these people, going through all this red tape, or spending it for the necessities of life?

A. If you don't spend some money analyzing them, your cost of administration is going to be several times what you spent otherwise.

Q. How do you know that?

A. Well, suppose a man who has been on the relief rolls, he has gotten behind with his rents, he has to pay for gas, water and everything. If he gets a job he is not going to get off the relief rolls just as soon as he gets the job.

Q. Don't you think that analysis and information can be obtained by a volunteer organization in a town

like yours cheaper than you are doing it?

A. That is nothing much.

Q. How much is spent?

A. Multiply your one hundred and twelve thousand by—

Q. Where do you get those figures?

A. In Houston.

Q. I am not talking about Houston; I am talking about the State.

A. You can't, no.

Q. How do you know that?

A. You can't get them to work; they work spasmodically; you can get a few people who will stick to it and work.

Q. I will state to you that we can get in Tarrant County any number of people to distribute these funds without cost.

A. You can get any number to distribute funds because they are tickled to death to do that; but when it comes to finding them, analyzing them and asking pertinent questions as to the family situation, its needs, there are very few who will do it. You can get any number of people who will take a basket of food and give it to a family, but to have the cases analyzed, there are very few people who will do it adequately.

Q. How do you know?

A. I have had the experience.

Q. Where did you have such an experience before?

A. In Houston. My situation is different, of course. I know and you know that men and women; you won't get many men to do it in the first place and the women won't stick to the drudgery of doing the work. We have tried it in Houston; we have had volunteer help and we have found it is much better to have case workers. Outside of Harris County, where we have a set-up with our case load method the case load cost has dropped in a good many cases.

Chairman Purl: I promised Senator Hornsby, then I will recognize you. Do you want to ask a question at this time?

Senator Hornsby: Yes.

Chairman Purl: Are you through, Senator Rawlings?

Senator Rawlings: Temporarily.

Senator Hornsby: Do you know Mr. Robert Key in Houston; he runs a rooming house?

A. I do not, personally. I do know this that up until last Saturday morning, last Friday, our facilities for transient people were inadequate; we had very small quarters; we obtained permission from the commissioners' court to use the old reform school building for boys in South Houston; we had to go through a lawsuit to get permission to use it; we were delayed; we had to have some facilities to take care of people who didn't have a place to sleep and we rented rooms at various places at, very reasonable rates, in some instances seventy cents a week, that is very reasonable. We had to make temporary arrangements because we didn't have facilities then; facilities are available now. Anyone who wants to go down and investigate that amount we paid, anyone in Houston, we will be glad to have anyone come down there because we think we are doing it at a minimum cost.

Q. In addition to the rent did you allow some commissary to each person in that house?

A. We allowed some food to feed those people and paid them a certain amount for feeding them. I have forgotten the total, just what that arrangement was; it was a temporary arrangement because our own facilities were not adequate then, they are adequate now; there will be no need for that organization to continue for transient people. We still have some in Houston who can work but who just have no place to live and we are letting them continue to rent some room.

Q. Who, in your organization, handles those kind of cases?

A. The case worker is assigned that problem. There are probably several because there are fifteen hundred and thirty people in that category; there are four or five case workers assigned to that work, men and women who have no families, no one to support them, who want to but are not able to work.

Q. What place in your organization does Mr. Whitson occupy?

A. Mr. Whitson is superintendent of the social division; he is responsible for the supervision of the case workers.

Q. What compensation does he receive?

A. Three hundred and thirty dollars a month as I remember.

Q. What position in your organization does Mr. Moore occupy?

A. Mr. Moore is administrator for Harris County.

Q. What is his compensation?

A. Three hundred dollars a month?

Q. Three hundred dollars a month for Mr. Moore and three hundred and thirty dollars for Mr. Whitson?

A. That is right.

Q. In addition you furnish food to this man who runs the rooming house, Mr. Key?

A. As I stated, that had been a temporary arrangement, because when we furnished food we could get it through our commissary for about forty per cent less than if it were purchased on the outside.

Q. Mr. Shaw, you made some reference to the county commissioners of your county. I believe you said they were all honorable men?

A. As far as my knowledge, yes, sir.

Q. Don't you know as a practical proposition that the county commissioners in the precincts of Harris County and other counties in Texas make it their business to know the conditions of their constituents?

A. I am sure they do.

Q. Don't you think they would know, could readily ascertain those who are entitled to relief without all these one hundred and thirteen case workers in Harris County?

A. They couldn't follow around after sixty thousand people; it would take their entire time to do it; they couldn't possibly do it.

Q. They make the rounds of their precincts regularly, don't they?

A. I don't know what their procedure is.

Q. They do that in looking after road matters and other things that their duties impose upon them?

A. I don't know what their procedure is.

Q. They are directly responsible to the people for the expenditure of these funds and any other funds?

A. That is right.

Q. Don't you think it would be a good way to get close to the people and make disposition of the proceeds of the sale of those bonds?

A. I don't think they could do it without an organization. As I said before, as far as I am personally concerned, I would be glad to get relieved of this proposition.

Q. I am sure you would. We have given out a statement, at least sixteen members of this State Senate have issued a statement to the people that we were going, if they adopted the bond amendment, that we are going to endeavor to see that they get the most for their money.

A. I think you are right.

Q. Don't you think it an unnecessary overhead expense, a needless expenditure to have all these case workers?

A. No, sir.

Q. I feel very kindly towards those people. That is the reason I am asking these questions so as to determine what would be the better course to follow.

A. As to whether or not it should be administered through your commissioners' court or other voluntary committee?

Q. Yes, sir.

A. I don't think so. I don't think that is absolutely essential. I am thoroughly convinced that they couldn't do it effectively unless they had an organization at least as large as the one we have.

Q. Referring to the city of Galveston, they had succeeded in doing it there, hadn't they?

A. I don't know anything about the city of Galveston.

Q. You know this that the fund there through this organization has been handled without any considerable cost, without any considerable expense to anybody, and without any considerable objection by anybody?

A. Of course, you are never going to get objections if you are taking care of everyone; you get objections when you cut someone off the rolls.

Q. I once had the privilege of serving as county judge in this county and the commissioners' court distributed quite a bit of relief among the needy and destitute in the county.

A. How many did you have?

Q. Nothing like they have now.

A. I agree with you one hundred per cent that you could do it then but you couldn't do it with the case load we have now. That is my own

personal opinion and you can take it for what it is worth.

Senator Hornsby: All right, appreciate your opinion. No further questions.

Chairman Purl: I promised to recognize Senator DeBerry from Red River.

Senator DeBerry: What was your testimony a while ago when they asked you with respect to when orders came out from the Federal government to put some of those people to work. What was the first number that responded?

A. As I remember, about three thousand.

Q. How many did you have on your rolls at that time?

A. In May we had 10,000 families. We had a little over 10,000 families.

Q. Well, the second batch that you got out to work, how did you get them out?

A. Well, we brought pressure to bear on our case workers; we said, "You are not getting these folks out to work." They got out about 1,000 more. Then we said, "We won't let you decide whether a man can work, send in the man and the doctor will decide; we will let the doctor decide."

Q. How does that work in with the testimony brought out by the Senator from Fort Worth that the case worker was practically dropped in that city?

A. I think the results would indicate that the case worker was doing this rather effectively. We had the doctor's examination which rather confirmed our original opinion.

Q. I don't get you, Mr. Shaw, you had 3,000 then you worked it up to four and then you worked it up to five or six thousand.

A. I mean coming in for examination. We didn't get that many people out to work.

Q. How many did you get to volunteer?

A. We had during the entire period eleven men on assignment; during the period of our work program something over 15,000 man hours.

Q. How many did you finally get?

A. I was just trying—finally four or five thousand different individuals or cases for the period; right about 3,000 changing within a period of a month.

Q. Do not your figures indicate there that your case workers were not very good, that their judgment was not very good whether a man ought to work or not?

A. No, on the contrary, their judgment was about right.

Q. I didn't hear that.

A. I say on the contrary their judgment was confirmed by subsequent medical examination. I didn't think they were right at the beginning and for that reason we insisted on the doctor examining them.

Q. After you began those medical examinations, how many men did you have that were able to work?

A. We worked about 5,000 different people during that period. Although during any one time we didn't have more than about 24,000. You see, as I said before, it fluctuated from 3,000 to 17,000.

Q. If a man came up and told you he wanted to work and the examining doctor said he wasn't able to work, did you let him work?

A. Not if the doctor says he is not able to work.

Q. Why not?

A. Because we don't think it is right and fair.

Q. How about these folks, that is, the folks that are working, what percentage on the relief rolls do that, that are working and couldn't take this medical examination?

A. I don't know.

Q. Don't you think it would be very large?

A. I don't think so.

Q. You don't think so?

A. No. Our work program is considerably under, for example, it is estimated that not more than two-thirds of the people that were indicated as Class A would be able to work. We have three types of jobs, types A, B and C. A is a man who can do physical labor, B is a man who can do work like watching, that sort of thing, and C is a man who can't do any work at all.

Q. What I am trying to do is to show the fallacy of argument that a man has to pass a physical examination before he is permitted to do any work. I know there are people in my district who can't pass a physical examination but they are working because they have got to work or starve.

A. One of the main reasons for

the medical examination is to see if the man could work.

Q. And if a man don't pass the examination, you don't let him work?

A. No, sir. I don't know whether there has been cases of that kind, I said if there were such cases the probabilities were that he would not be permitted to work. If a man came to us with a heart condition and if he was permitted to work on a job, he might drop dead, and we wouldn't want him to do that. Let me give you some reasons why the doctor wouldn't let him work. A man with high blood pressure, he should not be put at hard labor. He may feel all right. As a matter of fact a man with high blood pressure usually feels better than a man with low blood pressure. A man with high blood pressure, we wouldn't want him to work because the chances are that if he went out and over-exerted himself he would drop dead. I can't tell you how many we had who were not permitted to work, who had high blood pressure.

Q. I don't think it would be a great number.

A. Here is a list of people. 13% 8.13. As I told you before, we made them all come in, we made them come in for a physical examination—

Q. I heard that testimony.

A. —92 with bad hearts, 87 with high blood pressure, 11 crippled with rheumatism, 6 with epilepsy, 39 with loss of limbs or other deformities, 20 with tuberculosis, 22 with paralysis. Those are cases we would not let work.

Q. I am not so much interested in those specific statistics. Here is what I am trying to develop. I understand from your testimony that according to your figures there is only about 33 1-3% of those people, who are on those rolls, that are not working?

A. No, so far as work is concerned, we are working a higher percentage of those people according to the standards of employment of industries and business for Houston.

Q. All right. You have been talking about cleaning out those sewers, cleaning out those and drainage, you have no standard there.

A. A standard is not used there; the standard for that is men physically able to do hard work. The personal factors are the ones I have

read. The doctor wouldn't send those men out to work, those are the ones I just read; there are a number of those cases involved that we are not permitted to go ahead and work.

Q. I will restate the question again that I asked you awhile ago. If we take some of these people up in Williamson County or any other county, people who have high blood pressure, people in those agricultural districts, don't you think there would be a very great percentage of those people today that would be found physically unfit to work but they are working today, don't you think it would be large?

A. No, I wouldn't say it was large.

Q. I am trying to establish that those men, that show up with outstanding disabilities, they are a small number, I am not talking about those, I am not talking about those boys. Everybody on the stand has testified that there is only about 33 1/3% of the people on the relief rolls are able to work.

A. No, I didn't say able to work. There is a difference between able to work and the ability to pass an examination, it is a distinct thing.

Q. I understand that, but where you have road work and things like that, I am talking about work of that kind.

A. In that case, I can't give any specific case. My figures only show the percentage in groups who couldn't do some work.

Q. That is the testimony I wanted to bring out because all the testimony has been that those people for various and sundry reasons have not been able to work. We have come into a new era, that we have got to take care of those physically able to work. I am saying this to you because I am older than you are, if you don't know this country is filled up with sick folks who have been sick all their lives.

I want to ask this question. Do you aid anybody who has got automobiles?

A. There may be some cases of that kind.

Q. Do you think a man who has got an automobile ought to accept food for his family?

A. In most cases those are model T Fords.

Q. Is he very hungry if he has got to have gasoline?

A. Very often it is much cheaper, it is much cheaper to let him come in and get it if he has a Ford. I don't think there are many cases of that kind.

Q. I am asking—

A. I don't know how many cases there are.

Q. The reason I am asking that in the little town where I live there are three men on the relief rolls that maintain model T Fords. If I had my way, they would just quit eating if they want to keep their Fords.

A. In this modern day of transportation if a man has a job he has to have transportation; if you deprive him of that you are making it harder for him.

Q. I don't keep one. Do you distribute money for them to buy gasoline?

A. Our distribution, it is preliminary, right now it is 100% commissary orders for food. When we put them on work relief, possibly we give them a little cash over and above the food we are giving them. Right now, with a few exceptions we are just giving food.

Q. You confine most of the money that you let them have—you let them use it wherever you think they can get to their work better by using cars?

A. We don't make any specifications.

Q. Why not?

A. Maybe we should. In Harris County the average amount of money that the family has received is \$12.10, food and cash; and if he has got to use \$12.10 for that, he is not wasting very much money; to a man without a family, it has been \$2.48 a month.

Q. That average wouldn't mean anything to me. I want to know a little bit more about this physical examination. Have you ever seen them conduct a physical examination of one of these men to find out whether he is able to work or not?

A. I have been in the doctor's office and watched the examination of a number of them.

Q. Do you know if he is able to cut those out who are not able to work?

A. I am convinced that they can. As I say, a man who can't do anything at all—of these 2,070 that

were examined there were only 7%—there were only 28% that we didn't think could get any kind of jobs, they may get a casual job here and there, because they are so crippled.

Q. My reason for asking, I think I know something about the misery in this country, I have been over this country and I have known people who were sick to be working. I have been, all my life, around people who were invalids and they have worked, because they had to work.

You are talking about this rehabilitation, don't you think that is the most damnable proposition that is going on today, say that if he works for the government he can get \$2.40 per day, and if he goes out to work at common farm labor he gets six bits or \$1.00 a day; do you think that is going to keep the morale up?

A. I think six bits or \$1.00 a day is low. The reason the government has set—I understand Mr. Hopkins has said definitely there must be a change. They want to increase wages—

Q. At whose expense?

A. —if commodity prices go up.

Q. Do you know that cotton went off today because Mr. Wallace popped off again.

A. I think the general trend in commodity prices has been up.

Q. Do you know what the purchasing power of a dollar is today with 9½c cotton?

A. No, sir.

Q. If you don't, I will tell you it is 6c.

A. I don't feel qualified to discuss economics under this N. R. A. I am not qualified to discuss that. This government is sort of gambling on this program and if we get behind it it has a chance of being successful. As Will Rogers says, "It is going to be a success or else." When you ask him what he means by else, he says "There ain't going to be any else."

Q. If I state to you that this State is \$14,000,000 or \$15,000,000 in the hole now; nobody wants to pay any taxes; we are trying to get bonds before we get taxes, I guess you know that; and the people back home who have 6c cotton are purchasing overalls that are now worth

\$18.00 a dozen wholesale when nine months ago they were \$8.50 a dozen, wouldn't you be sort of worried about those folks back there?

A. Frankly, I would be. I would feel the same as a union labor leader said in Washington when they adopted the N. R. A., "I am opposed to it, it is all wrong." It is like philosophizing about the weather. Whether we like it or not, it is something we have got to face.

Q. I was not trying to argue with you about the N. R. A. The point I am trying to bring out is this, you are setting up physical standards by which you determine whether or not a man can work. If he is sick and wants to work you won't let him work because he is sick.

A. If he has high blood pressure, we don't let him do hard work.

Q. Did he know that he had it before he came down there?

A. Possibly not, because a man with high blood pressure usually feels fine while the man who has low blood pressure feels worse. That is a characteristic of the disease.

Q. What I am trying to get at here is with respect to what it is costing to carry out this program, at whose expense we can follow it out. I don't think it will be followed out because we haven't got the money. Somebody has to stand that expense.

A. Frankly, that is right.

Senator Holbrook: I just want to ask Mr. Shaw this—If the good citizens in the city of Galveston, people of the very highest type, people who have been doing that kind of work because they love to do it, they want the people who need the help to get every dollar that is expended for them, don't you think that the good people of Galveston who know the conditions there, who are familiar with the wants and needs of the people, and when they had been doing that work, giving that relief, according to the information that we have here at a cost of less than one-third of a per cent, and which was done satisfactorily to the county board, do you feel that any situation could develop there which would justify you in putting in a force as you have there now where you say the expense, or that the reports here indicate that the expense of

administering that relief has been over 7.7 per cent to 10 per cent of the amount administered in relief, when you have put a bunch of foreigners in there to do that work?

A. I do not think that it can be done effectively for that expense.

Senator Martin: I want to object to that question—

Chairman Purl: Senator Martin has raised an objection to that—has raised a point of order—

Senator Holbrook: I want to get that in the record—

Chairman Purl: Please let me get this question that is now before us settled—

(Thereupon, a considerable discussion took place between Senators Holbrook and Martin on the question of the point of order, which was ordered by the chairman expunged from the record.)

Senator Moore: Mr. Shaw, what is the average age of the 60,000 people that have been on the rolls of Harris County in the past several months?

A. I do not know that I have that. We are making an analysis now of the adult cases—the adult members and it will take a couple of weeks to figure it out.

Q. I would like to have the average of the persons who are on your charity roll down there—being aided by your county or city.

A. It would be quite a task to furnish that. It would be a matter of tabulating that from some sixty thousand people.

Q. Do your case workers take the age of the people who are put on the rolls?

A. Yes, sir; it is available if we can get the time to do that—

Senator Moore: Mr. Chairman, I want to request, that we have that information furnished to this committee—I would like to know the number of people from one to ten years, from ten to fifteen, and fifteen to twenty, and in sections of five years.

Chairman Purl: Mr. Shaw, do you think that you can get that information.

Senator Moore: What per cent of the people on your rolls are there who had employment prior to 1931?

A. We will have to get that information. That is quite a task,

too. We are making a survey now and getting that information at the request of Mr. Hopkins. When the question came up as to the large amount who were unable to work when called on, a check showed that forty to sixty per cent were unable to do the work called for, and Colonel Westbrook is attempting to get them back to small farms, where they can raise enough vegetables and produce to make themselves self-supporting. They are doing exceptionally good work in that way.

Q. What per cent of those people who are on your rolls now were taken from the local charities rolls, the Red Cross, Salvation Army, or other local charities organizations, taken off those rolls and put on the federal relief rolls?

A. I do not know what the case load was in last October as compared with what it is now. Prior to the depression in Houston we had—Houston never had more than 600 families—people on the relief rolls supported by the community chest.

Q. That was before the depression?

A. Yes, sir.

Q. And that was 600 families?

A. Yes.

Q. What per cent are now on your rolls, classified as to white, colored and Mexican?

A. On the relief rolls for October, we had 4419 white, 3371 colored and 764 Mexicans—that is taking the family cases.

Q. Those are all family cases?

A. Yes. And then in Harris County, the outlying districts brought that case load up to a total of 9054, total family cases load together with individual cases, was up to some 11,000.

Senator DeBerry: What per cent of those on your rolls are transients.

A. Actually transients, about three or four hundred.

Q. Who do you term as transients?

A. Any person who has not been in Harris County for six months—we think that anyone who has not been in Houston for six months, or in the State for a year, is considered a transient.

Q. This school building that you

referred to awhile ago—Harris County closed up this reform school?

A. That was a kind of reformatory for Harris County.

Q. Are you paying rent on that?

A. No, sir; the Harris County commissioners court has given us permission to use that without any charge—

Senator Murphy: Mr. Shaw, the salaries paid by your organization to these case workers, Mr. Westbrook report indicates range from sixty-three dollars to one hundred and thirty-five dollars?

A. That is right.

Q. How are they classified?

A. Well, some of them are carried as case workers, and then we have supervisors who have had special training, and it also depends upon the amount of experience that they have had and the amount of work they are able to do.

Q. You have some case workers who do not do just ordinary case work?

A. Those are girls, most of them, who have had college training, or special training in case work, and we can not depend upon the neighbors of those needing help to furnish us the correct information in these cases.

Q. You have both men and women case workers?

A. Yes.

Q. And you find some who are more proficient than others in this case work?

A. Yes.

Q. Do you find that men or women are more proficient and do more effective work in this case work?

A. That is hard to say. Usually women are a little more sympathetic and get at the heart of the situation a little better than a man normally would. I do not think that that is a criticism, though.

Q. Are any of your case workers on your relief rolls?

A. Not the case workers. No, none of the case workers are. We have some people working on case work who are dependent, and work part time for food.

Q. Now, Mr. Shaw, do you require paupers oaths of these people who are on your relief rolls before you give them any relief.

A. We make an investigation, which we think is effective now. When a person comes to the headquarters to get any relief we give it to them then, and later make an investigation.

Q. Do you require them to make any kind of statement that they have no other means of support.

A. I do not think so. We depend upon our investigation. Colonel Westbrook says that they require them to sign it.

Q. Mr. Shaw, how does your case load today, compare with what it was when this commission was set up—the State Rehabilitation and Relief Commission?

A. In April we had 8,698; in May, 10,010; in June, 10,760; July, 11,388; August, 11,171—those were family cases. Now we have about three or four hundred thousand single people who have no families—old people and destitutes.

Q. Mr. Shaw according to the audit which has been made of Harris County, it appears that the funds which were made available for that county since last March were by months, March, \$79,923.70; for April, \$80,000; for May, \$78,712; June, \$130,468; July, \$169,500.03, and \$210,000.00 for August.

A. The first explanation is this. Our relief to the families was entirely inadequate, for food. They were on practically starvation rations. They ought to have had practically double the amount of food they had been getting. Also during that period, we were not getting enough funds to properly take care of them; we were not getting enough funds from the Federal government. The delay in the passing of the bond issue by the Legislature made it impossible for Colonel Westbrook to give us the money that we needed to take care of this situation as was required. We borrowed \$42,000.00 during that time to take care of the needs of those on the relief rolls and that money has been paid back. Another thing, the increase in the cost of food during that period, the expense of the medical service which we had not been giving before, and which was essential. We have doubled the amount of food that we have been giving to these families before—before that time, it was practically a starvation

ration that we had been giving them.

Q. Now, Mr. Shaw, have you filed with Mr. Westbrook an estimate of the requirements—of your needs for the next six months?

A. Yes, sir.

Q. Do you have those figures with you?

A. No. That estimate was prepared and sent to Mr. Westbrook because he was very anxious to get it and I do not have that statement with me.

Senator Collie: Mr. Shaw, about this public works improvements that you are making down there in Harris County?

A. Yes, sir. As you know the drainage ditches there in Houston along the bayous and drainage canals are growing up with underbrush and trees which is essential to the proper drainage of the city. That work has to be done or ought to be done every two or three years. However it has not been done in Houston and Harris County for a number of years, because they did not have the money to do that work.

Q. That is an essential undertaking?

A. Yes, sir. This should be done every two or three years but it has been now about five years since it was done. It was past due considerably.

Q. Now, I want to ask you about the doctors—how do you pay those doctors.

A. We pay them on a monthly basis.

Q. About how much would that run?

A. About \$75 dollars per month and they carry on their own practice.

Q. You mean that the doctors are working say, half time for \$75 per month?

A. Yes, sir. During the past few weeks, we have put on a chief physician who is getting \$150 per month—he is directing this work as chief physician. \$75 per month is all the others get.

Q. Do you have—I believe that you stated that you have some auditors who audit your books there?

A. Yes. There are two men who work full time and one chief auditor who works full time. There are three people who are engaged

in checking these accounts and working on this audit full time. This makes the auditing run about \$700 per month.

Q. Can you give me the total that you have expended for these audits?

A. It has run about the same each month. About six or seven hundred dollars per month.

Q. How much did it run before you came in there?

A. They had some audits made, but I do not know what they were paid. They had the same auditors, and I presume they were paid about the same.

Q. Do you classify that as administration cost, both as to the doctors and the auditors?

A. Yes.

Q. That goes into that 7.7 per cent?

A. Yes. We have seven or eight nurses—visiting nurses.

Q. Do you have any people on your payroll that are employed in any other capacity—who have a job—who are on the relief rolls?

A. Oh yes. We have a disposition division where we have a work program. We were required to have a number of people put on that work. We have three people handling the workers. One received \$65 one \$75 and the other \$85 per month.

Q. Part or whole time?

A. They are full time on these jobs.

Q. Do you mean to say that you have any people on your payroll who are employed in any other capacity?

A. None except J. Phillips Company, the auditors.

Q. Now, do your case workers go out and investigate these people who are applying for relief?

A. They go out and get the whole story. I know that in some of these cases, some of these persons are living in the same house, and if this proper investigation was not made it would take \$200,000 per month to take care of the situation. There are a few cases where some of these people may own their property, but are unable to keep up the payments that may be coming in, and when we find a case of that kind, no money is given to those people, but that rent may be taken

care of, and we will issue commissary orders only.

Q. You do not pay any rent?

A. We pay a little rent where there may be sickness in the family, and in some cases where there was a likelihood of the landlord putting them out or foreclosing on them, and they would have no other place to live.

Q. Have you had a considerable increase or trend of increase since you started that practice?

A. No, sir, we have kept it down, and are keeping that down.

Q. They investigate every phase of a man's condition and his ability to make a living—do you investigate whether or not a man has insurance policies which might have matured or which might be placed as collateral and borrow money on them?

A. We make sure and certain that they have no other means of support.

Senator Neal: Did I understand you to say that your work had been entirely gratuitous since you had been chairman of this committee?

A. Yes.

Q. What is your business?

A. Manager of the Industrial Relations Affairs of the Humble Oil and Refining Company.

Q. May I ask you if the charitable organizations, like the Red Cross or other agencies of that kind are cooperating with you in this work, or is this money that is expended entirely Federal money?

A. The Federal Government requires that we cannot make contributions to any private organizations. We must have a definite check on every expenditure, and for that reason we cannot give anything to the Red Cross or the Salvation army and agencies of that kind, because we must have a definite and positive check on the expenditures. We must have a case investigated and covered by a proper check.

Q. Do those agencies give you any money to spend?

A. For example, we recently organized in Houston a visiting nurses program in which we pay half of the expense—or cost. The city is paying four hundred dollars per month and the Community Chest I

think they are contributing \$750 per month.

Q. Now this question in connection with the social or case workers program. Do you think in the sparsely settled communities of the State that it would be necessary to have case workers—is it not more necessary in cities like Houston?

A. I think it is essential in both places. Maybe in cities like Houston, or the larger towns of the State, it would be more necessary by reason of the feeling of some people that being on the relief rolls carries with it an accompanying disgrace, and I might say that in the sparsely settled communities that the case worker would do very effective work.

Q. Do not you think that the people in the rural communities perhaps know better the conditions that exist than could be ascertained by these social or case workers and that the people in those sparsely settled sections of the State would more or less resent the case worker or social worker?

A. Probably so. There is probably not as much need for the case worker in the rural communities as there is in the cities.

Q. Now this question. A great deal has been said about the medical section. I would like to know if these examinations are not netting a considerable amount of practice to the doctors?

A. I feel this way about it; that out of the numerous examinations that are made, this, you understand is not on the so much per case basis. This compensation to the doctors is on the basis of so much money per month. We pay our chief physician \$150 per month, and the two others \$75 per month; during the past month they have examined about 6,000 people. So they are not getting paid very much per case.

Senator Woodward: We have been here now a great many hours today, and I am going to move that we recess until eight o'clock tonight and continue this hearing tonight.

Chairman Purl: The Senator from Coleman moves that the Committee of the Whole now recess until eight o'clock tonight—

Senator Regan: Before we move to recess, I would like to ask the witness a few questions—

Chairman Purl: All right go, ahead.

Senator Regan: Mr. Shaw, quite a lot has been said about the forty per cent and sixty per cent—now what I would like to know is is there only about forty per cent of your people who are on the relief rolls capable of doing any kind of work—what per cent are capable of doing any work—we have always had in every community certain portions of the people who would have to have help. Now as we are attempting to get something definite about what we should do to relieve this situation as much as we can, would it not be as well to have something from you if you can give it as to the set-up for the spending of this proposed twenty million dollar of bonds that have been authorized—you know in every community there is always a bunch of people who have no visible means of support but who seem to get by. What sort of set-up should we have in Houston, and in the State. We have always had around four or five million people in the United States who were unemployed. Now, are we setting up a precedent here in the United States to supply those people with funds from the State and National Government that will continue from year to year?

A. That is a most difficult question, and I think to begin with, that we should as nearly as possible make a complete survey to know whether those who are on relief are capable of doing a certain work. That is the real object of this work program. Another thing is one that we are following up, and trying to analyze now in Houston and that is through our rehabilitation placement organization. A man when he comes down is offered certain work—he is offered a job, and if he fails to take that job he is cut off from any relief, if he is physically in condition to do that work, and in Houston he cannot get back on the rolls until he is willing to take the work offered him. The third question is, you are going to have a lot of people who cannot get about and keep a job in the industrial centers, because they have either become too old or too feeble to do that kind of work and cannot support themselves in the modern industrial age.

Colonel Westbrook now is working on a program of farm rehabilitation under the supervision of the commission. That will naturally require the expenditure of a considerable sum of money, to make it possible for him to get back on a little farm and support themselves. But those persons who are capable of doing that kind of work and can be gotten out of the cities and back on little farms will be able to support themselves and that should be an ultimate solution. If we can get those people back on small farms, around two, three or four or five acres, and they can raise enough food to take care of themselves it will take a great load off the relief work. The Federal Government has made an appropriation of \$25,000,000 for that. We have high expectations of what Texas is going to do along that line before the end of the year under the able direction of Colonel Westbrook. It will be something like six months before that will be fully under way, or that program can be perfected and the relief given that will be needed. That is what we are going to have to do with the large number of folks who can not get jobs in industries. If we can get them back to the small farms where they will be self-supporting we think that we will have accomplished a useful purpose and will have given real permanent and lasting relief. I was up in Trinity about a month ago where Miss Thompson is carrying on a work of that kind. She has some fifty families there—

Q. Do you feel that that probably means a permanent dole system such as has been up in England?

A. It is going to take time to get a program of that kind worked out; it is going to take money to get these people properly settled in that way. A family can be self-supporting and properly set up for about \$2,000 per family. That will take care of giving them 200 chickens, a milch cow, fifteen acres and house and brood sow, and enough vegetables and groceries to carry them over until they can get their first crop. That in my opinion is constructive rehabilitation. It is probably aside from this discussion, but we are all wondering what we are going to do, and what is the

best plan to follow; but if we can work out something of that kind under the able leadership of Colonel Westbrook, we are going to solve the problem.

Q. Does this matter of your case workers going around as has been suggested in keeping up the morale of the people, or building up the morale, they will not work it up in your opinion to where they will not be willing to work, or be afraid to work?

A. If they do, if they do that, they are cut off. I have just here, a list of something like eight pages of families who were cut off because they would not pick cotton when the work was offered to them.

Senator Rawlings: How many different types of work workers do you have in your stores—do you undertake to classify them as case workers?

A. That is a pretty big organization. We have case workers, part work employees, we have nurses, and practically the whole category of workers.

Q. Do you regard your organization as an efficient one for this kind of work.

A. I believe it is.

Q. Now, I notice in the set-up—in another set up, there is listed several messenger boys at \$70 per month?

A. In our set-up?

Q. No. Do you know what necessity there would be for a messenger boy, or what an organization would have for a messenger boy?

A. There might be if I knew what it was for.

Q. What about the necessity for a doorman at \$64 per month?

A. I do not know. Except where you are handling a great number of people, or where they have a great number of people awaiting like they are around the commissaries, you might have some occasion for it. We do not have any such on our set-up in Houston, but there might be a condition where that might be put in.

Q. Now about a door man at sixty dollars per month—

A. Is that in Houston—

Q. No—you do not have any floor man at Houston in your set-up there?

A. I do not think that we have

any floorman—I do not know what would be the necessity for having him.

Q. You are an expert on this?

A. I do not claim to be. I am just here because some one has to do it.

Q. You ought to know something about it?

A. We are just trying to get the job done as best we can.

Q. How long does it take a man to get relief after he arrives at your agency?

A. In most cases, if it is a first case, he is given relief the first time he comes—he is given provisions. If he says that his babies are starving or hungry, that they have had nothing to eat, or if his family has had nothing to eat, as sometimes happens, for three or four days or a week, we will give him provisions and then make the investigation through our case workers later. We give him immediate relief, and if we find that he has lied to us in the giving of his statement to us, we do not give him any more.

Q. What is the manager of the Central Index at sixty dollars per month?

A. I can not tell you.

Senator Murphy: Up in Dallas, I notice that they have a free legal advice department?

A. We do not have anything of that kind in Houston. We had not thought of that.

Senator Martin: Mr. Shaw, do you know whether or not Harris County has a commissioners' court?

A. Yes, sir.

Q. Has Harris County a board of welfare and relief?

A. Board of Welfare and Employment.

Q. Do you know whether or not that board was approved by or appointed by the commissioners' court of Harris County?

A. Yes.

Q. The board is composed of citizens of Houston and Harris County?

A. I believe they all happen to be from Houston.

Mr. Westbrook: Mr. Shaw, I believe that you stated at this time that you have approximately 12,600 families on the relief rolls of Harris County, including the single people?

A. It is something over 15,000.

Q. The point that I wanted to

make was what per cent of the total population of Harris County is dependent upon these relief funds for its sustenance?

A. Well that would make approximately 60,000 dependents and the population is about 300,000.

Q. And you feel that you have done a reasonably good job of eliminating those who should not be on the relief rolls, compared with the average over the State?

A. I think we have. Considering the work that we have done there.

Q. That would be approximately 20 per cent of the population of Harris County that is receiving relief from this organization at this time—dependent upon it for the necessities of life?

A. Yes, sir.

Senator Murphy: Mr. Shaw, with the increase of the relief funds which you have received there, had the expense of administration decreased or increased?

A. It has dropped, as a matter of fact.

Senator Collie: Do I understand that we are now going to recess—is the Senate recessed—

Chairman Purl: Before we recess the Committee of the Whole, I want to express my appreciation and the appreciation of the committee to Mr. Shaw for coming up here and giving us this information—

Senator Woodward: I would like to know at this time what is the pleasure of the members of the committee as to working tonight—I do not know whether we can make any headway at that or not.

Senator Small: I move as a substitute that the committee recess until nine o'clock tomorrow morning.

Senator Woodward: I will withdraw my motion—

Chairman Purl: I have an announcement to make just as soon as we recess—

Thereupon the question was put on the motion of the Senator from Potter for the committee to recess until nine o'clock Tuesday morning and the motion prevailed.

Tuesday Morning, September 26, 1933.

The Committee of the Whole Senate met at 9:15 a. m. on this date,

whereupon the following proceedings were had:

Chairman Purl: The Senate, sitting as the Committee of the Whole, will please come to order. Is the Steering Committee ready to proceed?

Senator Woodward: Are we going to take Mr. Alsbury first? I understood he was here.

Chairman Purl: He comes on at ten o'clock. I understand Colonel Westbrook has some letters he wishes to reply to. The committee will stand at ease for five minutes so that you can all get ready.

(The Committee of the Whole then stood at ease for five minutes.)

Chairman Purl: The Committee come to order. What is the pleasure of the committee? Senator Martin, I believe you wanted to ask Colonel Westbrook some questions. Proceed.

Senator Martin: In looking over this resolution under which we are now working I find under paragraphs five and six, paragraph five reads as follows: "The amounts paid out for salaries or other administration and or other expenses each month, together with a list of the names of each and every employee or other person receiving expenses, in each county allowance, or pay for assistang in the administration or distribution of such funds, together with a statement as to whether such salary, wages or pay has been supplemented from any other source; that is, if any of such persons or organizations have been paid in part from State funds and in part from Federal relief funds, then the amount of such supplemental pay."

Six: "The total number of employees by months utilized for the distribution or expenditure of any or all of said relief funds and engaged in such relief work."

I have before me the report as made by Governor Sterling. Have you examined that report?

A. I have looked at it; I haven't examined it closely; I do not have a copy.

Q. This is the report of the three chambers of commerce, the West Texas, South Texas and East Texas, also the report of the Governor. I will ask you this, to take this report; if called on are you able to show what was the cost or expense incurred for making the distribution

of funds in Hill County during any month while this matter was in their hands?

A. Senator; I haven't examined the report in that detail. I will have to look through it.

Q. All right, sir; I wish you would look through it and see.

A. On page six of the detailed report filed by the East Texas Chamber of Commerce there is a disbursement to T. J. Burdett, Chairman of Hill County \$10,000.00.

Q. What is the difference between a disbursement and distribution of funds?

A. Well, that is the check that was sent to Mr. Burdett.

Q. Now, does that show any expense items for the distribution of that money to people who were entitled to or did receive any help?

A. I cannot find it.

Q. It doesn't show the distribution of one dollar of funds, does it?

A. It doesn't, no.

Q. What expense should have been incurred in writing or sending a check from the East Texas Chamber of Commerce to T. J. Burdett?

A. Well, that, of course, is just a clerical operation.

Q. The actual expense outside of writing and sending the check would be a two cent stamp?

A. Yes.

Q. Now, can you take any other county that is reported and show what become of the money after it was sent to the Chamber of Commerce of that county, whether it was the East Texas, South Texas or West Texas Chamber of Commerce?

A. I don't know whether this constitutes the report but there appears not to be any detailed statement as to distribution in this report I have here.

Q. Now take the Governor's report.

A. No, it is not in there.

Q. The report is in here but you do not find where the expenses incurred in the distribution of that fund is in there?

A. No, sir.

Q. Mr. Westbrook, if these funds after having been sent to the various counties they were distributed through some other organization, the Red Cross or some other organization in the county, if any expenses of that organization was charged

against that for the distribution of it, it does not show?

A. No, it does not show.

Q. I will ask you if you heard Mr. Williams' speech in yonder the other day?

A. Yes, sir.

Q. You heard him make the statement that they could not make any comparison of the overhead expenses incurred in making distribution of the funds in the former administration and the present administration because of the fact that they had not yet been able to get a report from the former administration. You heard that?

A. Yes, sir.

Q. (Continuing) Such as an auditor might get. You also saw the newspaper report after that?

A. Yes, sir.

Q. (Continuing) Wherein he was branded as telling a lie. Is this report such a report as you would be willing to accept from one of your auditors with reference to the expenditure of any funds which had passed through your hands?

A. No, sir.

Q. This report just shows where the checks came from to the various counties and the amounts?

A. That is correct.

Q. There might have been more money spent so far as the report is concerned?

A. We have never had any information furnished us except what we have gone into the counties and gotten ourselves.

Q. I notice in that report the expense of labor is about fourteen thousand dollars?

A. Yes, sir.

Q. Have you or not had any occasion to audit any of the counties?

A. Yes, sir, I have attempted to audit all of them.

Q. All right; those that you have audited and those from whom you have been able to get any reports at all, what does your audit show?

A. We show—our audit which we have made against the disbursements of the counties by the county chairman shows administrative expense within those counties totals \$105,000.00 in addition to any other administrative expense from the outside.

Q. \$105,000.00, have you been able to get reports from all of the counties?

A. No, we have not.

Q. About how many do you think are left out?

A. We have been able to get completed audits only on 82 counties; now we have incomplete audits on a large number of others but we have been able to get information on which to complete audits only on 82 out of the two hundred and thirty odd counties that received these funds.

Q. You say that \$105,000.00 is in addition to other expenses reported?

A. Yes.

Q. Now under expenses it shows \$833.33 from the East Texas Chamber of Commerce, \$833.33 from the South Texas Chamber of Commerce and \$833.33 from the West Texas Chamber of Commerce.

A. That is per month.

Q. Does or not that column show who got that money, what particular person?

A. No, it does not; it was just a disbursement of the Chamber of Commerce.

Q. It doesn't show who received it?

A. It shows who received the eight hundred and thirty-three dollars but not how it was apportioned out.

Q. It just shows the Chamber of Commerce got it?

A. Yes.

Q. Doesn't show what individuals?

A. No. Pardon me just a moment, Senator. The auditor tells me that he subsequently got some reports from the regional Chambers of Commerce showing how a part of these funds were divided but not all of them.

Q. I am speaking about the report handed in here by the Governor not what your office discovered. The Governor's report does not show it?

A. No.

Q. There are three items of \$1377 and thirteen sixty something, I think, Austin-Washington trips; does the Governor's report show who made those trips, what particular person or persons made them and how they made them?

A. Well, I will look it over carefully, Senator; I didn't see it. No, the statement in Governor Sterling's report merely states \$1312.07, Austin-Washington and territorial, Austin-Washington and territorial

South Texas \$1377.13, Austin-Washington and territorial West Texas \$1377.13.

Q. It doesn't show where they went, who went or anything about it?

A. No, there is nothing in there to support that that I can see.

Q. Have you or not had any audit made of Galveston County?

A. Yes, sir.

Q. The statement was made here yesterday that the funds down in Galveston County assigned for relief work were distributed at a cost of less than one-half of one per cent, something like that. I wish you would make a comparison of those reports, what the auditor's report was and what was the report of the Galveston people.

A. The report they made to us?

Q. Month by month, please.

A. The report made by the Galveston committee under the Rev. Gibson for November to February inclusive showed as administrative expense \$100.40.

Q. All right; what was the actual expense incurred according to the audit when the money was actually accounted for?

A. \$2,469.80 over the same period. For the month of March Mr. Gibson reported an administrative expense of \$322.45.

Q. What does the audit show?

A. The audit shows an administrative expense of \$1,611.65.

Q. All right; take the next item.

A. For April they reported from Galveston \$399.40 as administrative expense. The audit shows \$2,519.38 as administrative expense. For May Mr. Gibson shows \$367.69 and the audit shows \$2,375.64.

Q. Give the next one.

A. For June Mr. Gibson shows \$475.65 and the audit shows \$4,578.80. For July Mr. Gibson showed \$420.88 and the audit \$4,134.63. Now the total report by Mr. Gibson as administration expense in the period covered was \$2,086.47 and the total reported by the auditor was \$17,689.90.

Q. All right, what per cent is that now?

A. Mr. Gibson's report indicated an administrative expense of 1.2% or 1 1/5 per cent for Galveston County.

Q. That was the expense actually reported?

A. The expense actually reported.

Q. What per cent does the auditor show?

A. The auditor's actual expense shows an administrative expense of 10 1/7 per cent.

Q. Do you or not have the work sheets by which the auditors arrived at these figures?

A. Yes; I will say that the audit which was made, on which Mr. Gibson's report was based was not made by a certified public accountant recognized by the State of Texas. The audit we had made was made by a firm of certified public accountants which are recognized by the State of Texas.

Q. You say you actually have the work sheets used by the auditors, from which these figures were made?

A. We have them yes.

Q. Did you make any comparison of those with the work sheets made by the auditor who made the audit for Mr. Gibson?

A. I don't think we had any work sheets that were made of Mr. Gibson's audit. That is correct.

Q. What was the nature of the items included by the audit? Well, you don't know what the items were. Mr. Westbrook, what was the nature of the items included by the auditors?

A. Well, I would have to get the work sheets to give that to you in detail but it covered salaries paid to employees; generally that was the largest expense.

Q. Do we have in this State anything known as an association of accountants?

A. I think there are two organizations. We have a State Board which is a legal entity as I understand.

Q. Are you willing to have that audit placed before them for their inspection?

A. I would be very happy to have that done.

Q. Who is the chairman?

A. I don't know; Mr. Frank L. Wilcox.

Q. You are willing to have that audit submitted to that State board for them to pass upon?

A. Yes, sir.

Q. To see whether or not it is or is not correct?

A. Yes, sir.

Q. Where these funds have been distributed through other organiza-

tions, that is through residents of different counties, I believe you said you had no way of telling what the total expense is with reference to those distributions?

A. No, sir.

Q. Are you familiar with the statistics showing the reasonable expenditures for overhead of such organizations in making distributions to the needy?

A. You have reference to the United Charities, etc.?

Q. Yes.

A. The overhead ranges anywhere from 25 to 50 per cent. I think 27 is the United Charities figures. It is certainly in excess of 20 per cent and in some instances as high as 50 per cent.

Q. Since you have taken over Galveston County what does the administrative expense show there for the next month after you took it over as compared with the previous month before you took it over?

A. We just took Galveston County over in August and reduced administrative expense \$4,134.63 in August—about \$2,000.00 a month or maybe a little one way or the other.

Q. Who is the county board down there; who composes that board?

A. Rev. M. S. Chataignon is the chairman; the other members are George Sealy, Shearn Moody, Lee Kempner and a Mr. Orth; I don't recall his initials.

Q. Are they all citizens of that county?

A. Yes, all citizens of Galveston County except Mr. Orth who lives at Texas City.

Q. I would like to see the letters which were introduced by Senator Holbrook.

A. I didn't get a copy of them. The Senator was having a copy made but I didn't get them.

Chairman Purl: I will send to the reporter's room for them.

Senator Martin: While we are waiting for those letters let me just ask you a few questions in general. Something was said yesterday about a man by the name of Boley; who is that man?

A. Mr. Boley is field representative for a section of West Texas.

Q. He is the one who is a brother-in-law to Mr. King?

A. Yes, sir.

Q. Where did you get hold of him?

A. He was working for the West Texas Chamber of Commerce when the funds were turned over to us.

Q. In other words you just inherited him?

A. Yes, sir.

Q. Does he occupy the same position that he did before?

A. Yes; we cut his territory down some but he occupied the same position.

Q. You say he is a field representative and covers several counties, does he?

A. Yes, sir.

Q. Who were the ones that appointed him originally to serve out there?

A. I think he was appointed by Mr. Bandeen originally.

Q. Mr. Bandeen of the West Texas Chamber of Commerce?

A. Yes, sir.

Q. This man, Ed Hussion, who is he?

A. He is a member of the Texas Rehabilitation and Relief Commission, vice-chairman of the commission.

Q. This letter states that he told Galveston friends he had the naming of county committees and county administrators in 35 separate counties with Jim Ferguson's authority. What particular part under the law does Jim Ferguson's wife, Mrs. Ferguson, have to do with this relief work in Texas?

A. Well, this, she is ex-officio chairman of the commission.

Q. All right, then she has no authority of any kind whatever?

A. No.

Q. What authority then would Mr. Ed Hussion have?

A. He is a member of the commission and the law prescribes certain duties for members of the commission.

Q. Does the law prescribe that it is his duty to name these various county men?

A. The law states it is the duty of the commission to name these boards and the practice that was followed by the commission in naming these boards was to get its members, each member, to make recommendations from the counties in his particular territory.

Q. Do you know the members of the board in Galveston County?

A. Yes, sir.

Q. Do you know them personally?

A. I know four of them personally; I don't know Mr. Orth.

Q. Would you say they were outstanding, representative citizens of that county?

A. Without any question.

Q. Have you had any occasion to confer with these gentlemen either individually or collectively and ascertain whether their activities were satisfactory or not?

A. I never attended a meeting of the board but I have talked to all of them over the telephone except Mr. Orth. My office is well pleased with the set-up down there.

Q. Who is this man Tullis and how did you get him down there?

A. Well, Galveston County—we felt there had been some bad administration going on down there as indicated by a top-heavy administrative expense, and we knew, as everyone else knows, that Galveston County has a great deal of factional politics and that it would be desirable to have men down there who did not belong to the Montagues or the Capulets either one, and so with the approval of both factions Mr. Tullis was appointed as administrator. It seemed that we should have someone who was independent of either faction of the politics.

Q. In other words that was discussed with your board?

A. Yes, sir.

Q. Do you know anything about the information or hint in here with reference to Mr. Reed, who is here. What does this mean: "I am sure you must be familiar with the record of J. F. Reed?"

A. I looked into the record of Mr. Reed. He was recommended to us by Speaker Stevenson and his record was excellent. He is one of the most efficient men with whom I have ever been associated.

Q. Do you know of the fact or by hearsay whether or not he at this time has a lawsuit with Moody-Seagraves Company?

A. I am informed—it is purely hearsay.

Q. Mr. Westbrook, is there any other explanation you desire to make with reference to this letter signed by Mr. Sweeney?

A. I don't know, Senator. Your questions have covered most of the

points in the letter. The reference in here to Mr. Davis, the Federal supervisor—Mr. Davis, of course, is not the Federal supervisor; he works for the Texas Rehabilitation and Relief Commission and he reports to me. I want to say that I have a very high regard for Edmund H. Gibson and think he is a splendid gentleman and think these erroneous reports that came in here were because the people making those reports did not know how to make them out. I don't want any erroneous impression to come out from my testimony.

Q. Certainly not; you are not accusing anybody of squandering any of the money at all. This letter here of Mr. J. C. Canty, the matters indicated in this letter are about the same as covered by that with the exception of that about the United Charities of Galveston. In distributing funds through the United Charities what are the facts as to whether or not there would necessarily be expenses incurred in doing that work?

A. Well, previous to the time we took Galveston over and sent Mr. Tullis down there the United Charities was one of the agencies used and such overhead as was used by the United Charities came out of our funds, but we did not know what it was.

Q. You would not censure them for having done that?

A. No.

Q. But by a strict audit you would expect to know where the money went?

A. Yes; we are entitled to receive as good a report as we can from these organizations and they are very good, generally speaking, throughout the country.

Q. The Governor's report just shows that funds were distributed by him in certain checks to Chambers of Commerce and it shows that the Chambers of Commerce made a distribution of it to the counties throughout the country, but it does not in anywise show any of the expenses necessarily incident to the actual distribution in that county?

A. It does not scratch the surface so far as overhead in the distributing of these funds. Senator, we were discussing—and I think it is proper for me to say in discussing

the overhead expense of these private agencies and in stating that their expense is 27% on an average and as high as 50%, it must be understood that they as a matter of practice do a great deal more work than we think is required and I do not mean to say that they squandered these funds. They do a great deal of social service work and it is just a point of procedure.

Q. In other words they are trying to do a social uplift.

A. In connection with the disbursements; I was not sure I had made that clear.

Q. Outside of the expenses that you have found here with reference to your audit that has been made and with reference to the assumption, as we would have to say, that there was expense incurred by local charities and other organizations in making a distribution of these funds, have you any information of any other expenses which might have been incurred by any of the sections of the State in getting possession of the Federal funds and making distribution of them?

A. Well, I have understood and I am sure it is correct that the West Texas Chamber of Commerce went to a total expense over and above the amount that they received from the Federal government.

Q. They went to the expense or cost and the people received these sums without having to pay the expenses?

A. Well, they collected some funds from cities and counties receiving this money in order to defray those expenses.

Q. Do you know J. G. Webster of Cleburne, Texas?

A. I know who he is; he is the manager of the Cleburne Chamber of Commerce.

Q. That is in the 12th Senatorial District, the district which I represent. Examine this instrument and see whether or not that is in your files.

A. Yes, sir.

Q. I want to ask that the secretary please read that letter at this time, read that instrument.

Chairman Purl: You want that to go in the record?

Senator Martin: I want that to go in the record, please.

(Instrument follows:)

Now comes J. T. Webster, manager of the Cleburne, Texas, Chamber of Commerce, who, on being interrogated, deposes as follows:

I was a member of the R. F. C. committee of Johnson County, which functioned until the organization of the present Johnson County Board of Welfare and Employment of which I am also a member.

Early in October of last year, while I was a member of the R. F. C. committee, I received notice from D. A. Bandeen of the West Texas Chamber of Commerce that Federal funds for relief purposes would be available to municipalities and counties in a short time and that this fund would be administered through the West Texas Chamber of Commerce. It was further stated in this letter that these funds would not be a loan, but an outright contribution, to be deducted from the Federal Highway appropriation for Texas.

In January of this year, Mr. H. C. Custard, president of the Cleburne Chamber of Commerce and also chairman of the Johnson County R. F. C. committee, received a letter from Mr. Bandeen asking that all members of the Johnson County—meet him at Fort Worth, for the purpose of receiving the funds which were then ready for delivery. Accordingly on January 19th, Mr. Custard, T. E. Darcy, county judge of Johnson County; S. M. Shropshire, county commissioner; W. A. Scott, Mayor J. S. Hoffman, Mrs. Florence C. Floore and the undersigned went to Fort Worth to meet Mr. Bandeen and received the said fund, which amounted to \$16,000 for Johnson County.

Before delivering the check for \$16,000 to Mr. Custard, Mr. Bandeen said in the presence of the above parties and of the undersigned, that the amount of money we received in future depended on what we did for the West Texas Chamber of Commerce. He further stated that the Johnson County quota was \$850, but that on account of the fact that we were located in the extreme southeastern edge of the West Texas Regional Chamber of Commerce district, that they had decided to set our quota at \$250, which they would expect us to pay if we got any future funds.

Mr. Bandeen explained that the

West Texas Chamber of Commerce was disbursing this Federal relief fund without cost to the government and that they were bearing this expense which would be about \$30,000, including trips to Washington, and that each county would be expected to give their quota, according to the amount of Federal money they expected to receive.

On our return to Cleburne, Mayor Hoffman took the matter up with city council and commissioners' court and the following allotment was agreed upon for the West Texas Chamber of Commerce:

City of Cleburne	\$100
County of Johnson	100
Chamber of Commerce	50
Total	\$250

A check for \$200 which represented the city and county's quota was then mailed to the West Texas Chamber of Commerce. The fifty dollars from the Cleburne Chamber of Commerce was not paid to the West Texas Chamber of Commerce.

The above statement of fact is substantially correct.

(Signed) J. T. WEBSTER,
Affiant.

Sworn to and subscribed before me by J. T. Webster this 22nd day of September, 1933.

(Signed) ALLIE RAY LEE,
(Seal) Notary Public in and for
Travis County, Texas.

Q. Mr. Westbrook, if I understand you, you said that Mr. Webster was Secretary of the Cleburne Chamber of Commerce.

A. Yes, sir.

Q. Do you know of any reason why that check for sixteen thousand dollars could not have been mailed to the Cleburne Chamber of Commerce for two cents?

A. No, sir.

Q. Do you know of any reason why it was necessary to have the county judge put to the expense of making that trip to get that sixteen hundred dollars?

A. No, sir, I do not.

Q. All right. I want to offer another letter here—who is the gentleman who signed that letter?

A. J. F. Latimer.

Senator Martin: I want to ask that that letter be read into the record—

Chairman Purl: The secretary will read the letter.

Thereupon the Secretary of the Senate read the letter which is as follows:

Higgins, Texas, Sept. 22, 1933.

To whom It May Concern: This is to certify that on January 14th, 1933, a delegation from Lipscomb County, Texas, went to Amarillo, Texas, to receive our allotment of relief funds. Before the money was paid to us, we were taken into a private room and asked to take out memberships to the amount of \$160.00. After we agreed to take out these memberships, we were sent to another room where Mr. T. H. Black, our county chairman, received from Mr. D. A. Bandeen, a draft for \$2,000.00, that being our quota for January and February.

We came home and raised the money asked and sent it to the West Texas Chamber of Commerce in the sum of \$160.00

(Signed) J. F. LATIMER,
Secretary-Treasurer.

Subscribed and sworn to before me this, the 22nd day of September, A. D., 1933.

(Signed) OLGA FORBAN,
Notary Public, Lipscomb
County, Texas.

My commission expires June 1, 1935.

Senator Small: I would like to have the following letter from San Saba, Texas, signed by E. B. House, county administrator, read into the record—one paragraph of that, the other being considered as of no value—

Chairman Purl: The secretary will read the portion marked—

Thereupon, the Secretary of the Senate read that paragraph which is as follows:

"Once last fall, the West Texas Chamber of Commerce officials notified us to appear at Fort Worth on a certain day. Four of us went up there, and it turned out that they only wanted to hand us a \$1700.00 check, that could of come through the mails, and give us a lecture to become members of the West Texas Chamber of Commerce and boost its policies, all at a cost of \$16.00 to our local chamber of commerce."

Senator Martin: Mr. Chairman, I have another letter here, but before introducing that, I want to ask Mr.

Westbrook one question about that last letter—about this letter which I am now going to introduce—where was that \$10.00 expense taken from—if that expense—under your administration, if you had been administering this fund, would you have raised any complaint about that item of expense—

A. We would not have allowed a straight ten dollars each, I am sure—we do not pay out any amounts like that flat, but must have supporting receipts to cover all expenditures. I do not know what the expense in connection with that was, and have no criticism to offer in connection with that, but we would have had something to support the vouchers.

Senator Martin: I would now like to offer the letter in evidence and have it read into the record:

"Vega, Texas, September 21, 1933.

"Texas Rehabilitation Relief Commission, Austin, Texas.

"Dear Sirs: For your information beg to state that on February 3, 1933, checks were issued by the Oldham County Relief Committee as follows: Chas. Ingram \$10.00, to C. E. Winder, \$10.00, O. H. Loyd, \$10.00, and to C. L. Morris, \$10.00, these were all charged as administrative expenses. Ingram, Winder and Loyd were at the time and had been since the beginning members of the local relief commission, and had made numerous trips to Amarillo, a distance of thirty-five miles, attending regional meetings in connection with said work, besides giving their time gratis to this work, and meeting some expenses out of their own pockets; Mr. Morris at the time and had been for several weeks donating his time in connection to work projects at his own expense, and these checks for \$10.00 each were drawn in favor of said parties to cover partial expenses which each had incurred in the administration of relief funds.

"We might say that each of the above parties applied the ten dollars when received in taking out membership of \$10.00 each in the West Texas Chamber of Commerce.

"Yours truly,

"CHAS INGRAM,

"Secre & Tras Old Com.

"O H Loyd Chr. Old Com."

Q. Now, Mr. Westbrook, I want to ask you who Walter D. Cline is?

A. He was chairman of the relief commission in Wichita County, under the old set-up.

Q. Who is Wilbur C. Hawk?

A. He is chairman of the relief commission in Potter County under the old set-up.

Q. You have a letter there, Mr. Westbrook, signed by Wilbur C. Hawk, President of the West Texas Chamber of Commerce, which I would like to introduce and have read into the record.

Chairman Purl: The secretary will read the letter.

Thereupon, the Secretary of the Senate read the letter which is as follows:

Amarillo, Texas,
January 16, 1933.

Mr. John O. Slaton, President,
Chamber of Commerce,
Hereford, Texas.

Dear Mr. Slaton:

Just a note to acknowledge receipt of your good letter of January 13 enclosing a check for \$80 to apply as dues for the Hereford Chamber of Commerce.

I note from your letter that you said the balance which is \$100 will follow in the due course of time.

I am also mighty glad to know that you are pleased with your relief funds and the way the West Texas Chamber of Commerce is functioning.

I just want to say that we are mighty glad to have the Hereford Chamber of Commerce affiliated with us and if at any time we can be of service to the Hereford Chamber of Commerce or any of the citizens of Deaf Smith County, don't fail to call upon us.

With highest personal regards, I remain,

Yours very truly,

WILBUR C. HAWK,
President, West Texas Chamber of
Commerce.

Wilbur C. Hawk: lb.

Chairman Purl: If no objection, it will go into the record—

Senator Holbrook: Mr. Chairman, I have no objection to filing any letters of that kind from the heads of chamber of commerce and chairmen of committees or members of the West Texas Chamber of Commerce, but I cannot see any connec-

tion whatsoever that it has with the matters at issue and I object to it on account of it being irrelevant and immaterial and not connected in any way with the controversy here under investigation and absolutely throws no light on this matter.

Chairman Purl: What about that Senator Martin.

Senator Martin: Mr. Chairman, I think that we have some other letters here that will be introduced later that will show the relevancy of that letter. To show that that was an actual charge placed upon the Panhandle Chamber of Commerce in order to receive the funds that they were entitled to receive.

Chairman Purl: For the time being, I will permit that letter to be introduced with the understanding that the connection will be made later.

Senator Martin: Mr. Chairman, we have another letter dated December 10, 1932, signed by W. D. Cline, chairman addressed to S. P. Rossen, Hereford, Texas, which we would like to have introduced into the record.

Chairman Purl: The Secretary will read the letter.

Whereupon, the Secretary read the letter in question, which is as follows:

"Wichita Falls, Texas,
December 10, 1932.

Mr. S. P. Rosson,
Hereford, Texas.

Dear Mr. Parker:

At the request of President Wilbur C. Hawk, I have gladly accepted the chairmanship of the 1933 membership campaign of the West Texas Chamber of Commerce. Believing that we can agree on the splendid executive ability of our president, and the efficient administration of the organization's affairs by our general manager and his staff, I only remind you of a part of the organization's accomplished record during 1932.

Our active leadership in reduction of public expenditures throughout the several political tax gathering units in West Texas has spread to a national movement. The principle of the agricultural production loan was evolved by our regional chamber and is now adopted permanently in the Federal law. The present stable position of the oil industry must be in part attributed

to the intelligent and consistent effort of our organization in the several constructive movements leading to the present situation. Our beautification program is meeting with widespread acclaim and over half of our cities are now actively entered in the annual contests.

As a direct service to West Texas cities and towns, I need only to point to our activities in connection with securing for them participation in the Federal relief funds. You doubtless have noted that West Texas has fared well in the allocation made to the State for this relief fund, having secured fifty-two per cent of the total amount.

It is with pleasure that we note that your town, under your leadership as director, has actively participated in our program. We note your town has an active public expenditure committee, a relief application committee, a relief administrative committee, and a beautification committee. On these committees, you have twenty-three committeemen who are cooperating for the betterment of West Texas and its citizenry. It is also a pleasure to find there are twenty-five copies of "West Texas Today" being mailed to your fellow townsmen monthly.

In the above way, we have placed the activity responsibility upon you as a director, and we believe we have made our organization felt in your town, although we have called you to but few meetings and have not spent much time on the road visiting you.

Believing that not only you, as director, but your entire citizenry is aware of the worth while record made by our organization during this year, we anticipate little trouble in raising our financial budget for the year 1933.

Having taken into consideration the population of your community, your past affiliation standing, and the benefits received as a result of our program, we have fixed a quota for your city in our 1933 financial program at \$180.

For your information, the total of the quotas for all West Texas towns contemplates a subscription, excluding Fort Worth, of \$45,000. You doubtless know that our Fort Worth director, Amon G. Carter, has in former years agreed to match

every \$3 raised in the rest of our territory with \$1 from Fort Worth.

Feeling that you will accept this quota as both fair and modest and reminding you that it is only 33% of the amount of money your community has received through our organization from Federal relief funds for two months, and also reminding you that the estimated reduction in public expenditures in West Texas has been reduced some twenty to twenty-five million dollars as a result of our active interest, I am confidently expecting you to perfect a prompt organization and report ready to accept your quota.

Please let me hear from you at your earliest convenience as both of us have other community and personal affairs demanding our attention, and we should get this necessary work behind us as quickly as possible. President Hawk desires blanks, pledge cards and additional information will be mailed you just as soon as I hear from you.

Yours for West Texas,

W. D. CLINE, Chairman."

Senator DeBerry: I am going to object to this going into the record. I am not objecting to any particular portion of it going into the record, but I am objecting to all of it going in because I do not think that it has any bearing on the matters that are being inquired into here.

Senator Martin: Mr. Westbrook, the Federal relief fund is the same fund that you are charged with distributing, isn't it?

A. No, it is not the same fund; because the funds that were distributed prior to me came from the Reconstruction Finance Corporation and these funds came from that.

Q. These Federal relief funds that were mentioned in here were allocated and were available or doing the same class of work and doing the same kind of relief that the funds that you are now distributing?

A. It was apparently appropriated for the same purpose.

(At this point there was considerable objection and discussion among the Senators as to the admissibility of these letters in evidence and on instructions from the chairman these arguments from various Senators were ordered to be excluded from the record.)

Senator Martin: Mr. Westbrook with reference to the report filed by Governor Sterling here, with reference to the amount of money received when he was at the head of this relief, what are the facts with reference to whether or not that money was all distributed?

A. It was distributed, according to my understanding, by Governor Sterling, to the regional chambers of commerce, and I think, by them to the local agencies.

Q. Do you know how much money was left in the hands of the local distributing agents at the time you took charge of this?

A. I think the reports made by the county chairman, as of March 1st, indicate that they had on hand on that date, four hundred and ninety-five thousand, nine hundred and four dollars and twenty-seven cents.

Q. That amount had not been distributed?

A. Had not been distributed by them, no.

Q. Mr. Westbrook, what are the facts with reference to whether or not in the matter of expense for distribution there was any account taken by the former administration with reference to funds that were deposited and lost in failing banks?

A. I don't see any.

Q. How much, if you know, was lost in them?

A. Approximately \$34,000; I have the exact figures here somewhere.

Q. It doesn't make any difference as to a dollar or so; approximately is all right.

A. It is right here; \$33,035.33 at this time.

Q. Mr. Westbrook, under the former management of the funds how often or about how often did they make a distribution to the regional chambers of commerce?

A. I will ask the auditor to correct me. I think they were distributed then on a three months basis, three or two.

Q. How does your department now distribute it with reference to how often you send out checks?

A. About each week; we send it out as it is needed but it will average each week or ten days.

Q. How are you keeping these funds that you are sending out?

A. Our major balances are in the Federal Reserve Bank and we check on the Federal Reserve to about twelve large city banks and distribute to the various counties from the large city banks.

Q. Is it your purpose in making frequent disbursements to keep that money in safe place rather than to have it in small banks and have the danger of suffering the loss of some of it?

A. That has been the reason why we have not sent it all out at one time, one of the reasons.

Q. I would like to see that letter from San Angelo, please, the one that was introduced here yesterday.

Chairman Purl: The letters received yesterday were turned over to the reporters and made a part of the record. The page will bring the letter from San Angelo. Do you want that read now, Senator?

Senator Martin: Right at this time, unless there are some other matters that I might—

Chairman Purl: Can you be going ahead with some other testimony?

Senator Martin: I notice, Mr. Westbrook, in the Governor's report that he makes he says something about having distributed this money through bonded agencies throughout the State. Have you called upon the various distributing agencies who furnished those bonds?

A. Yes, sir.

Q. How many have you found?

A. We found 106.

Q. One hundred and six bonds in the State?

A. Yes, sir.

Q. That is in the various counties of the State. Then the report that states there are 248 bonds, so far as you are able to ascertain there are only 106?

A. That is correct.

Q. As the expense of distribution of these funds increases, that is as they get more in the various counties, what can you expect and what is the result with reference to the amount of money that is being actually distributed to people that are out of employment, etc.?

A. Well, there is a point where administrative expense is justified. It will vary in different types of counties but we have found that upon the putting on of investigators who really made complete investigations, we have been able to cut down

the number of people on the relief rolls very materially as a result of putting on these trained investigators or people who have gone into the records of those who are on the relief rolls thoroughly.

Q. In other words ordinarily, we will say particularly in the conjected districts, as your overhead expense of administration increases, ordinarily up to a certain degree the amount distributed would also decrease?

A. Up to a certain point.

Q. Who is C. S. Nesom?

A. Former administrator in Tom Green County.

Q. He is not there now?

A. No.

Q. Do you know about when he was let out?

A. His resignation was accepted, I think, some week or ten days ago; I don't recall the exact date, Senator.

Q. Have you examined these letters that were introduced here yesterday?

A. I recall about what was in them, I think.

Q. I believe you explained, did you not, something about the administration there, or heretofore there?

A. In San Angelo, I don't think I did. The Tom Green County set-up was under investigation, has been under investigation about two weeks and it was as a result of that investigation that Mr. Nesom's resignation was accepted. We had quite a little bit of trouble out there and we investigated the situation and put in another set-up which is now satisfactory to the board. The board had resigned, and they have withdrawn their resignations.

Q. What board are you talking about?

A. The Board of Welfare and Employment in Tom Green County.

Q. In other words the set-up you have at this time is satisfactory to the Tom Green County board and prior to that time it was not?

A. Prior to that time it was not and not to us either.

Q. Who composes the board?

A. I don't recall all the members. I think I can send for that.

Q. Without regard to who they are, do you know anything about their political affiliations.

A. I know the chairman was a supporter of Governor Ferguson. I

just happen to know that because he is a good friend of mine.

Q. You don't know anything about the others?

A. Mayor Lee, who is also a member, I am reasonably sure he was a supporter of Governor Sterling; I wouldn't say positively but I think he was.

Senator Woodward: Mr. Westbrook, here on the San Angelo situation for just a moment. The committee in Tom Green County all resigned?

A. Yes, sir.

Q. And do you know if it is a fact that the Governor wired them or contacted them, asking them not to resign?

A. I think that she did, I am not sure. I knew two members of the committee personally. They resigned while I was in Washington. When I came back and found that they had resigned I called up the chairman and Mayor Lee and saked them to reconsider their resignations and they said they would.

Q. Mr. Nesom, who was then the county agent, is not now the county agent?

A. No, sir.

Q. You said just now as a result of the investigation which had been made his resignation was called for?

A. Yes, sir.

Q. Have you copies of any correspondence asking for his resignation?

A. No, we sent one of our field people out there to look into the situation. He handled the entire matter with the local board out there and Mr. Nesom resigned and a new man who was satisfactory to us and to the board was installed.

Q. Who was the new man?

A. I will have to look it up; I think his name was Bradbury. I have a letter I would be glad to read into the record on that.

Q. Who was the field agent?

A. We sent Mr. Lamont out there.

Q. Do you know whether or not the disturbance which occurred was charged to Mr. Boley?

A. Yes, I think it was.

Q. Is Mr. Boley going to be continued as a field agent?

A. Well, Senator, I will say that the matter is under consideration.

Q. Have you had any request

from Mr. Williams that he be taken off of the work?

A. No, I have discussed the matter with Mr. Williams and he has not asked me to take him off, but we have discussed some of his activities.

Q. As a matter of fact he has just assumed too much authority?

A. That is correct.

Q. Brought about a good deal of disturbance in San Angelo?

A. Yes, sir.

Q. Put people to work who were displeasing to the local committee and the committee said they were not going to have anything to do with it on that account?

A. That is true.

Q. They have got a satisfactory committee and a satisfactory county agent and so far as you and I know things are all going on all right out there now?

A. Yes, sir.

Q. I will ask you about the Sterling report. Have you a copy of it before you?

A. Yes, sir.

Q. Preceding the questions I want to ask you, which I am going to hurry through; under the Sterling administration—and I say that because it was his name; if it had been Jones it would have been the same thing—the Governor was the recipient of the Federal funds at that time?

A. Yes, that is correct.

Q. And under his set-up he used the regional Chambers of Commerce to handle the funds?

A. He used them as a secondary distributing agency, I will say.

Q. That is right, he distributed to them and they in turn transmitted it to organizations in the different counties and in that manner the funds were distributed?

A. That is correct.

Q. Mr. Sterling's report, a copy of which—you have a copy of Mr. Sterling's report before you?

A. Yes, sir.

Q. Under the resolution the Senate calls first for the date and amount of each sum received by either of said agents or officers, together with the total sum received. Says for him to report the total sum received. Does it purport to show the total sum received? That is number 1.

A. Yes, sir.

Q. The place or places of deposit of such sums, and the name under which the account was carried. Is that in his report?

A. Under disbursements, I think it is, yes, sir, Senator.

Q. It lists the dates of the disbursements, the persons to whom the money was paid and the amount?

A. Well now, this list of disbursements in the report prepared by the Governor does not show all of the account, but I think that is covered by the reports filed by the regional Chambers of Commerce supporting it.

Q. I am talking about the Governor's report. The place or places of deposit are shown?

A. Yes, I see under disbursements here quite a number of names.

Q. Look at the top of the second page under depositories and amounts, the top of the second page, Mr. Westbrook.

A. I will have to check up with you.

Q. At the top of the second page what do you find? I don't mean for you to read it, but what is that?

A. It shows the name of the depository and the name of the individual in which the amount was carried and the amount, also the date the deposit was made.

Q. It begins "Account R. S. Sterling \$128,298.00"?

A. Yes, sir.

Q. Right on down to the last item January 9, 1933, Alamo National, San Antonio, \$2,565,833.00?

A. Yes, sir.

Q. The total receipts as indicated by his report were \$4,135,033.00?

A. Yes, sir.

Q. Is that correct? Now then paragraph No. 3 requires that we ask the date and amount of each sum sent or allotted for expenditure in any county, city, or other political subdivision of this State, together with the names of the person, persons or organization to which such sums were entrusted. Under disbursements what do you find?

A. Let me get that part of the resolution there under disbursements. I will answer that while I am looking over this. I find the dates on which the disbursements were made, the names of the persons to whom the disbursements

were made, and the sum is set opposite.

Q. That begins October 25, 1932, to Beaumont committee \$565.75?

A. Correct.

Q. He goes on with the name of individuals keeping the account and gives the South Texas Chamber of Commerce and another item Harry Wise, chairman, Houston \$120,500.00?

A. On this copy that I have here it seems that the last entry is to the South Texas Chamber of Commerce.

Q. That is with reference to an exhibit. I mean individuals to whom the money was paid, the last one is to Harry Wise, Houston?

A. Yes, sir.

Q. The report shows total disbursements of \$4,122,632.00?

A. Yes, sir.

Q. On page 2 receipts \$4,141,738.33?

A. Yes, sir.

Q. Do you find on that report total for disbursements \$4,122,632?

A. I do.

Q. Overhead \$14,106.33, returned to R. F. C.—what do those initials mean?

A. Reconstruction Finance Corporation.

Q. \$5,000.00?

A. Yes, sir.

Q. Totaling \$4,141,738.38?

A. Correct.

Q. According to this report then, the disbursements including the overhead of \$14,106.33 as reported and the amount returned to the Reconstruction Finance Corporation balanced with the reported receipts?

A. It does according to this report.

Q. According to this report. Now in paragraph 4 of the Senate calls for the total amounts expended or sent out for distribution each month by said Texas Rehabilitation and Relief Commission, or by either the present Governor or her predecessor in office together with the balances on hand, if any, each month down to the present time.

A. Yes, sir.

Q. Is that covered in Governor Sterling's report?

A. I don't think it is; as I said I have not had the opportunity to analyze the report.

Q. Isn't that covered by his re-

port of disbursements, for instance the one to Beaumont?

A. That is not to each county, I don't think, that is to all the counties of the State.

Q. If he didn't send any money to the counties he wouldn't make any report of it, would he?

A. I get your point. It covers the disbursements that he made; that is correct.

Q. Then his report does not fail to comply with that particular request? I mean if he didn't send any out to the counties, he sent to the individuals in the various counties as mentioned, then he was complying with that request?

A. I imagine he was.

Q. Now Number 5 requests the amounts paid out for salaries or other administration and or other expenses each month, together with a list of names of each and every employee or other person receiving expenses, in each county allowance, or pay for assisting in the administration or distribution of such funds, together with a statement as to whether such salary, wages or pay has been supplemented from any other source; that is, if any of such persons or organizations have been paid in part from State funds and in part from Federal relief funds, then the amount of such supplemental pay. Now in Mr. Sterling's report there is no report of that at all?

A. No, sir.

Q. If there were none he would not be required to make a report?

A. No; if he had not paid out any salaries, he would not be required to report it.

Q. It is not in his report there, is it? If there were none expended for such purposes it would not show in his report, would it?

A. No.

Q. Now, will you turn to Governor Ferguson's report?

A. I do not have a copy of that here, Senator.

Q. Has someone got one that is available? Well, I think maybe I can interrogate you if you will take this. This is the report filed by Governor Ferguson. Mr. Westbrook, I will ask you the question, does the report filed by Governor Ferguson show the amounts paid out for salaries or other administration and/or other expenses each month, together

with a list of the names of each and every employee or other person receiving expenses, in each county allowance, or pay for assisting in the administration or distribution of such funds, together with a statement as to whether such salary, wages or pay has been supplemented from any other source; that is, if any of such persons or organizations have been paid in part from State funds and in part from Federal relief funds, then the amount of such supplemental pay. Does her report show that?

A. No, this report—

Q. Answer my question; does her report show that?

A. No.

Q. Does her report show the total number of employees by months utilized for the distribution or expenditure of any or all of said relief funds and engaged in such relief work?

A. No.

Q. Now, I will ask you if it is not a fact that because he had named certain agencies to handle the distribution of these funds, is it not reasonable to suppose that those whom he had named would give the information that was requested in response to that.

A. Yes. He assumed, of course I cannot give the Governor's reasons for it, but, I presume that the Governor felt that those whom he had appointed to handle that feature of the work—the Governor considered that the chamber of commerce report should have covered that phase of the report.

Q. Then, did not Governor Sterling, through the agencies selected by him, presume that they would make the same kind of report in response to the information requested that Mrs. Ferguson assumes would be made by the agencies appointed by her?

A. I believe so.

Q. Then there is nothing to be made out of the fact that there is anything the matter with that report?

A. I do not know. I think that Governor Ferguson knew that the report would give that information.

Q. And that was her reason for not including it in her report? That same information was called for in the two requests that I have read, was to be made by those who were

actually in charge of the distribution of those funds?

A. They would have to be made by those who were administering the funds.

Q. Governor Ferguson did not make the actual distributoin of the funds?

A. No.

Q. Just as the report of Governor Sterling shows that he merely appointed these agencies to handle the distribution of those funds—it was not handled by either of them indirectly?

A. No, not directly.

Q. Those reports are supposed to be made by the county agencies to your commission and the county agencies under what we will call a Sterling plan or the plan that was supposed to have been employed by it, these agencies were supposed to have reported to the regional chambers of commerce?

A. That is correct.

Q. And, if they had it, they should have included that in the report.

A. Yes.

Q. Now, Mr. Westbrook, I will ask you this, where are the work sheets of the audit your auditors made of Galveston County?

A. These are probably the originals of those work sheets

Q. Now, do those work sheets reflect the different amounts of money that were paid out and charged to administration expense?

A. Yes, they do, Senator, they reflect the amounts paid out for personnel service and other expenses properly chargeable to administration expense.

Q. What period of time do they cover?

A. They cover the period of time from November, 1932 through July, 1933.

Q. And by whom were those work sheets made?

A. By a firm of private auditors, Frank L. Wilcox & Co.

Q. During what period of time, is covered by that report, was it under the present set-up?

A. No, sir.

Q. What is the total amount of money charged to administration expense in Galveston County during the period reflected by those work sheets?

A. \$17,689.90.

Q. Would you mind letting me have those work sheets just for a moment.

A. Certainly.

Q. Now, do these work sheets show what services were performed, and for what purpose this money was paid out?

A. I do not believe they do.

Q. Then, what information can we get that shows that W. J. McIntosh, on December 2nd, 1932, got \$11.30?

A. I think that information can be obtained from the auditors who made the report.

Q. You have testified, Mr. Westbrook, and we are depending upon you to give us that information which these work sheets reflect. The administration cost of distributing relief in Galveston County during the given period.

A. Yes, sir.

Q. Now, will you take these work sheets and point to this committee for what purpose or for what service these different expenditures were made?

A. I cannot do that, Senator. We would have to have the auditor here and go into that in detail.

Q. Is not this your work sheet?

A. Yes, sir.

Q. And you made your report—or the auditor made his report from that work sheet?

A. Yes, sir.

Senator Holbrook: I want Mr. Westbrook to explain, if he can, how that was done.

Senator Woodward: Now, Mr. Westbrook, you have made a statement to this commission that the administration expense was in Galveston County during a given period, according to my recollection, \$17,689.90?

A. That is correct.

Q. I am interrogating you as to the statement you have already made—

Senator Martin: I do not like to be interrupting the gentleman, but, in fairness to the man who is trying to answer these questions, he is only testifying to information that has been furnished to him by the auditor's report covering the audits and is not testifying as to facts of which he has personal knowledge but to the auditor's report showing such and such information—

Senator Woodward: If the Senator will permit me, I would like to furnish the examination and then he can ask any questions he desires. We are getting along fine.

Q. Now, Mr. Westbrook, in your testimony this morning you testified that the auditor's report showed the total administrative expense up to the time it was made?

A. Yes, sir.

Q. Do you have that before you?

A. Yes, sir, I have the auditor's report.

Q. Now, will you read to this committee those items of expense and explain what they were for?

A. I can read you the names of these people to whom the money was paid.

Q. And can you give the amount of money they got and what it was for?

A. What it was for? No, I do not have that information.

Q. Well, then, how do you know that it was administrative expense?

A. I did not testify that it was.

Q. I think the questions I am propounding are proper to get the information that I am seeking to get. I will put it this way. Now, you say that this report shows the total administrative expense.

A. That is right.

Q. In other words, you testify from the documents which are purported to be an audit of the administration expense?

A. Yes.

Q. You do not know whether it is correct or not?

A. No, I did not personally prepare that, but, I believe it is correct.

Q. And you do not know whether those items and amounts following the names appearing on those work sheets represent administration expense or relief or something else?

A. No, but I believe that they are correct.

Q. But you believe it?

A. Yes.

Q. In response to a question propounded to you this morning by Senator Martin, I believe that you stated that Mr. Sterling's report does not scratch the surface in showing the overhead expense?

A. Yes, sir.

Q. Now, will you take the Ferguson report and show to this com-

mittee where it scratches the surface?

A. I do not think she made any reference to it at all.

Q. Then, it does not scratch the surface in showing the overhead expense?

A. That is to be covered by my report.

Q. The overhead expense is reflected in your report in the audit of your department?

A. That is correct.

Q. And that is obtained from the various county boards which you took into consideration in determining the total overhead expense?

A. That is correct.

Q. In other words, you add to the overhead expense the expense of directing all of the other agencies, whether they be county boards of welfare and employment in order to get the total overhead expense?

A. That is correct.

Q. Now, did you take into consideration, in determining the overhead expense, the moneys that are paid to employees in an administrative capacity in the various counties which you carried as relief work?

A. We do not.

Q. Is there any way for you to tell how much that is at this time?

A. No, I would have to get it back from the counties.

Q. They did not make that report to you?

A. No.

Q. And when this resolution was offered calling for this information in your telegram to the various county directors or administrators, you asked them to eliminate that? You did not mean to do any wrong purposely?

A. No, I did not.

Q. But, you did ask them not to take into consideration that particular item which I am talking about?

A. That is right. The principal reason for that was that we failed—we felt that we did not want any incorrect reports from these people.

Q. In other words, if a stenographer in the Coleman office got \$10.00 per week as a salary and \$2.50 per week as relief work, that \$12.50 would be for relief and not for administration?

A. That procedure would be wrong. They could not do that. That is not right. She might get ten dol-

lars per week or seven dollars and a half per week but is not supposed to work a straight month. If, in a case like you suggest there, she might receive ten dollars per week or one dollar and a half per day for so many days work, but she is supposed to get just whatever is required to extend the needed relief.

Q. But, at any rate if that is being carried on in different parts of the State and is not reflected in the report from which this report, which you have filed with this committee, then it would not show as overhead or administrative expense?

A. No, it is not.

Q. And you do not know how much that is?

A. No, I do not have any idea.

Q. Could you give us any idea of what that would amount to—what percentage would that amount to?

A. I would say that it might amount to 1 and a half or 2 per cent of the total disbursements.

Q. And in order to get that information for this report, you have had this amount carried as an administrative expense?

A. In most cases it is not done, and there are only very few instances where we have any knowledge of that being done.

Senator Rawlings: I want to ask you two or three questions if I may, at this time. On page 505, Exhibit C, part 1, under the heading "New Families Added to Relief Rolls During August, 1933,"—that is on page 505—

A. Page 505 on my report shows "Monthly Table of Expected Relief Needs for the Six Months Beginning with October 1, 1933." That is the first page after the pink sheet entitled "Exhibit C," that you have reference to.

Q. I notice in Cameron County there was added to the "Total families added to Roll" that the number shown as being added to the relief rolls during the month of August was 1902?

A. Yes.

Q. As compared with Dallas County during the same period, which added only 694 families to the roll?

A. Yes.

Q. Can you tell me what the unusual or special conditions were which

prevailed that required that many families to be added in Cameron County, as compared to the number added in Dallas County?

A. I cannot give you the details but I will say that the seasonal employment generally stops in Cameron County along about that time—the cotton picking was over in Cameron County and is, I presume, the reason for that apparent discrepancy.

Q. Do you mean to say that in August the cotton picking season was over in Cameron County?

A. Yes, in Cameron County.

Q. Cotton picking was over down there at that time?

A. Yes.

Q. Now, then, turn to page 508 of this report, I notice that in Houston County, a small county of probably seventy thousand population, you added 2139 families during that month?

A. Yes.

Q. Now, can you tell me what the conditions were in Houston County which brought that about?

A. I think that is an erroneous report—if they added that many people over there, which we have reason to doubt, we do not think there are so many people that should have been added.

Q. Is that not out of line with the rest of the report?

A. We think it is very much out of line.

Q. Twenty-one hundred and thirty-nine families would represent a considerable number of people, wouldn't it?

A. That would be around ten thousand people.

Q. Ten thousand people added in one month?

A. Yes.

Q. Do you think that Cameron County is out of line?

A. Well, that is a pretty populous county, they have something over seventy-seven thousand people in that county.

Q. They have other counties down there about the same size?

A. Yes.

Q. But none of them show anywhere near that amount of families added to the roll?

A. No.

Q. Why is it that so many families were added to the rolls in Cam-

eron and Houston Counties during the month of August?

A. One thing, I do not think in Houston County that that many families should have been added.

Q. Have you checked that?

A. We have an investigator in Houston County and have had him there about three weeks.

Q. Now, I notice in Smith County it shows 1358 families were added during the month of August to your rolls—those three counties that are shown here on this report are very much out of line with other counties of the State?

A. Smith County, it is probable that the figures in Smith County are about right. They have a very large transient population there and I expect Smith County is probably entire in line—they have an oil field in that section.

Q. Presumably then, this report does not report the true conditions which exist—how about Bexar County? I believe 729 families were added to the relief rolls there, as shown by your report during the month of August.

A. I understand that Smith County—that this discrepancy there occurs because they have added families who have not heretofore been on the rolls, in Smith County.

Q. What is the population of Houston County?

A. I cannot tell you off-hand. I think it is about 30,000.

Q. Senator Small: It is a fact, is it not, that in a number of counties, requests have been made of the county officials to employ assistants to help handle these funds?

A. Yes.

Q. I have in mind Childress County, where the city and county are contributing about seventy-five or eighty-five dollars per month.

A. No, none of those requests that you speak of have been made of my office since I have been in charge that have come to my knowledge. We have not made any such requests.

Q. Well, I have a letter here from the county judge—Mr. Grazer. The field representative over in that county, that is he filed the reports for that county?

A. Yes, sir.

Q. Do you know anything about him appearing before the commis-

sioners court and the city council up there and threatening to withdraw relief from Childress County unless the City of Childress and the County of Childress contributed \$90.00 per month to the support of the county organization?

A. I never heard of it, and if he has done that he has made a serious mistake and it is a matter for severe disciplinary action.

Q. This letter says that the commissioners court during the absence of the county judge was requested to appropriate \$50.00 per month and this same request was made of the city council to contribute or appropriate \$40.00 per month, aggregating \$90.00 per month to take care of the local expenses up there?

A. Well, it is something that I knew nothing about, and something that we certainly do not countenance, Senator.

Q. This county judge says—as to how the funds have been expended, we do not know, and no report has been filed with the county court showing disposition of same?

A. They are not required to file that report with the county.

Q. Now then, if that has been practiced around over the State, will you say that those items would be reflected in this report which you have filed here as administrative expense?

A. No, it would not.

Q. And if that condition does exist, it would be conduct that is not authorized by you and would not be countenanced by you and your department if you knew about it?

A. That is correct.

Q. Now then, I notice at Lubbock, that the administrative expense in that county, and that county has a pretty good population for that section of the country, hasn't it?

A. Yes, sir.

Q. Potter County has a few more in population, but it would not have enough to justify an expense of \$1,000.00 per month more?

A. Yes, sir.

Q. Do you know of anything that would justify that discrepancy?

A. No, I do not think there is. However, I expect that in Potter County the reason for the discrepancy there is that the citizens of Lubbock may be paying a part of the

administrative cost, and they are also paying a part of the expense in Potter County.

Q. Lubbock County has a good big relief roll?

A. Yes, sir.

Q. Then in counties like Lubbock and Potter where the city and the county perhaps are contributing every month to the administrative expense, contributing to the support of your set-up there, contributing to your income there that is not reflected in the overhead which you have reported here?

A. That is correct.

Q. The same thing holds true at Fort Worth?

A. Yes.

Q. Now, do you know anything about the situation that prevails in Lampasas County?

A. No, I do not have the details. I only have here the amount of the administration expense.

Q. The whole committee up there has resigned in the last few days?

A. Yes, I got a letter from them—a telegram from them the last few days that they were resigning.

Q. Do you know anything about the method that was testified about there, going down to the grocery store and having the grocery man to advance cash to be used as administrative expense and charging same up as groceries?

A. I never heard of that until from you.

Q. Do you know this, Mr. Bushik?

A. Yes, sir.

Q. Do you know whether or not he is authorizing any such conduct as that or not?

A. No, sir.

Q. If he is, it is not authorized by you?

A. It certainly is not.

Q. Do you know of any places in Texas where that has been done?

A. I never heard of anything of that kind by any one.

Senator Martin: When you received notice that you were going to be called on to give a detailed report of the disbursements of the various agencies that you have set up in the State, you, when you received that notice, you immediately called upon the local agencies in every county throughout the State

—in other words, you called upon the last people who handled the money before it went into the hands of the people who were receiving relief?

A. Yes, sir.

Q. You got those reports from them, and then you tabulated those reports and those are embraced in the report which you have filed with this committee.

A. Yes, sir.

Q. And the report which Governor Sterling filed, he has tabulated the information that he has received from the agencies that he utilized to dispense this fund—he called upon the regional chambers of commerce—the three regional chambers of commerce that were his distributing agents—

A. Yes, sir.

Q. Do you know of any reason why when these counties received this money from that source, could not have made reports of what became of it?

A. You mean the regional chambers of commerce?

Q. Yes.

A. Well a lot of them did not have the information upon which to base the reports.

Q. Do you mean to tell this committee that those agencies used by Governor Sterling—do you mean to say that that fund has been disbursed through the agencies set up by the Sterling administration do not have the information on which to base a report showing how those disbursements were made—how that money was expended?

A. A great many do not have it and could not give that information.

Q. In other words, they just got the money and spent it and they do not know how it was spent?

A. They made some records, but I imagine they were not subject to audit.

Q. Why?

A. Because they did not keep sufficient records on which to make an audit.

Q. The information and records they kept was not complete?

A. No, sir.

Senator Murphy: Colonel Westbrook, when the practice of permitting the local administration expense to be taken out of the relief funds started, is it not a fact that you

first limited that expense to 3 per cent of the relief fund?

A. That was the old R. F. C. idea of the maximum expense for administrative expense, and they thought that that should be sufficient to take care of it.

Q. Was that in accordance with your instructions from the R. F. C.?

A. No, as I recall it we did not—we never got any directions at all covering that—any specific instructions.

Q. That was your idea of what it should be?

A. Yes. That is, three per cent for the local administration.

Q. I believe you have testified, or your report states that the State administration expense is only about 6 per cent.

A. I will say in explanation of that, that I said that was all it ought to be, or that was all that it should be. They have always insisted that the administrative cost, the supervision of that expenditure should be somewhere around there, that that was a part of the R. F. C. policy.

Q. Well, how about the present Federal Relief Administration?

A. They have not made that requirement; the same sort of arrangement that was utilized under the R. F. C. in cities and counties where the distribution was made by private agencies—where they assisted in disposing of those funds, are still being continued—the arrangement that was made under the R. F. C. policy.

Senator DeBerry: Mr. Chairman, I would like to ask Mr. Westbrook a few questions?

Chairman Purl: The Senator from Red River. You may proceed—

Senator DeBerry: Mr. Westbrook, when this relief work was first started in Texas under the Sterling administration, they distributed these funds through the three regional chambers of commerce?

A. Yes, sir.

Q. Now then, after Governor Sterling went out of office, and Mrs. Ferguson came into office, did she continue to use the facilities of the three regional chambers of commerce to perform those functions?

A. No, sir. None of the funds sent to Governor Ferguson were distributed through the regional chambers of commerce.

Q. When was that policy changed?

A. It was changed in March, about March 1. All of the funds for January and February had been previously distributed by Governor Sterling, and from that date Governor Ferguson took charge of the funds. The Reconstruction Finance Corporation advised Governor Ferguson as to the conditions of the State meeting or matching the funds of the Federal Government, and advised that no more funds would be forthcoming to the State of Texas from the Federal Government unless she discontinued using the regional chambers of commerce, and set up a different type of organization to handle the distribution of these funds. Governor Ferguson did not have anything to do with the handling of the funds through the regional chambers of commerce, although she did appoint on the Relief Commission of the State the heads of the three regional chambers of commerce, and they remained on that board until this Act creating the Texas Rehabilitation and Relief Commission became a law.

Q. Now, the disbursements that were made in February and March, after the inauguration of the Ferguson administration, does this report of Mrs. Ferguson show how that fund was disbursed or disposed of. In other words was not that money—was not that fund, during that period of time going through the regional chambers of commerce?

A. No, it was not, Senator. The only money that we got, Senator, was distributed through these agencies here at Austin. I think a distribution was made about the 8th of March, and we had not set our organization up then. And Governor Ferguson re-appointed all of the local committees which had been appointed under the Sterling regime.

Q. Did she re-appoint the heads of these chambers of commerce?

A. She did not. She made them members of the new commission.

Q. Isn't it a fact that the main reason which was given for the creation of the Texas Rehabilitation and Relief Commission, was the reason given by the Federal Government agents was that it was being foolishly spent, I am not saying this in criticism of anyone, or wasted or misapplied, but wasn't the reason

given that the Federal Government demanded that it be expended through a legally recognized and constituted body? Wasn't that incorporated in Governor Ferguson's message?

A. No, I do not recall the words of the Governor's message sent up set that out—

Q. Well I have got one here that I am using to ask you these questions from.

A. I do have here, however, a demand on the part of the Federal Government that a system be set up or be installed and I will be very glad to go into that—

Q. (Interrupting) Well, just now wait a minute.—You know what I mean. Now when the Legislature passed the bill creating the Texas State Relief Commission was the argument used or what argument was used on the part of the Governor or those interested in getting this Texas Rehabilitation and Relief Commission established—was not the argument used that no further appropriation or no further funds would come from the Federal Government unless there was a change in the set-up which had been in effect under the Sterling administration.

A. I do not recall it.

Q. Where did you get the idea that they demanded a—that the Federal government demanded a legally constituted board, was the Federal Government demanding a legally constituted board?

A. I just stated that they were demanding a legally constituted board. I know that they did require a different method of distribution from that which had been pursued in the Sterling administration and a different method of disbursement which met with my approval.

Q. They wanted it different from the bond that was being—from the manner the Fergusons were handling it?

A. No, no they approved the method that was set up by Governor Ferguson when she first started the distribution of these funds.

Q. Didn't you testify when they asked us to pass this bill, that they did not ask for a change from that which had at that time prevailed.

A. No, sir.

Q. Then why would we create a new relief commission?

A. That was not the entire reason for creating the Texas Relief Commission. They had to have some legally constituted authority that would have some kind of legal standing. Of course the Texas Rehabilitation and Relief Commission which was appointed by the Governor consisted of six members. All of these were appointed by the Governor. The Governor had full control of the entire situation and the new bill—in the new bill it was suggested that the responsibility be divided and that the Lieutenant Governor and the Speaker of the House of Representatives be placed on this board.

Q. Mr. Westbrook, what in your opinion is meant by a legally constituted board, I would like for you to tell this committee what you mean by that and also I would like for you to explain if you can what is meant in the Governor's message which you will find on page 1466 of the Senate Journal?

A. Chairman Purl: Do you want the Secretary to read that?

Mr. Westbrook: No, I can read that. Thereupon the witness read the following excerpt from the Senate Journal.

"Austin, Texas, April 20, 1933.

"To the Forty-third Legislature of Texas:

"I herewith transmit to you a communication (with bill attached) from Honorable Aubrey Williams of the American Welfare Officials Association who is at the present time acting for and in connection with the R. F. C. relief activities in Texas, suggesting the passage of legislation that will create a proper agency for the State of Texas to confer and negotiate with the Federal Government in the distribution of various funds that may be made available for distribution in Texas from time to time.

"In the relations of our State with the Federal Government are to continue indefinitely and along broad and comprehensive lines, it appears that the suggestions made by Mr. Williams are worthy of your earnest consideration and are at the same time necessary if our relations with the Federal Government are to be harmoniously and effectively continued.

"I submit to you as emergency legislation the question and matters mentioned in the communication from Mr. Williams to me as Governor of the State.

"Respectfully,

"Miriam A. Ferguson,
"Governor of Texas."

Q. Now you do get in that message, do you construe that message as being a criticism as to the plan that was being used by either Governor Ferguson or Governor Sterling?

A. No, sir.

Q. Now at the time this legislation was passed did not Mr. Williams appear here and tell the Legislature, I do not mean to use his exact language, but did he not tell the Legislature that the Federal Government demanded that the Legislature enact a law which would place the handling of these funds in the hands of an organization which would have some legal responsibility?

A. I do not think he did.

Q. I think he did.

A. As I stated a while ago I thought that we should have a legal organization set up and the rules and regulations covering this division should be more fairly set out, that it was necessary to have a set-up that would coordinate these various activities and therefore the bill creating the Texas Rehabilitation Relief Commission was passed.

Q. Then this last question do you think that this money is being spent foolishly or that it is being spent—that it should be spent for the bare necessity of life?

A. Nobody has ever asked my opinion on that.

Q. Well, I am asking you now.

A. Well, I think under the Sterling administration the true gravity of the situation was not grasped by anybody. I think that the organization set up by Governor Sterling and in the light of what they knew about it at that time, that it was considered to be purely an emergency situation. They simply thought that it would pass away in a very short while and I have repeatedly said and I repeat here that I think that the organization set up under the Sterling regime, in the light of what they knew about the matter, and what other people thought about the situation

at that time, that it was purely an emergency proposition and would pass away within a very short time, I think from what they knew about the conditions and the situation that the organization which was set up under the Sterling regime was about as good as could have been done, but after it was developed that it was not merely an emergency, and after it was developed that this became a matter of continuous existence, then it became evident to everybody concerned that there would have to be an entirely different set-up made. May I illustrate it in this way. You have here we will say a fire and you and I we will go out and put it out two or three times, but if it should develop that we are going to have two or three hundred fires per month we are going to begin to lay plans to have a regular fire department. As a matter of fact if your houses are burning up every moment you are then going to have to hire somebody to fight the fires. I want you to know that I do not entertain any criticism for those people who set up the original organization. As a matter of fact I think that they did the best that they could possibly do in the handling and distribution of these funds but at the same time I am not saying that it was not efficiently done. I am making that statement without any criticism but merely as a statement of fact.

C. Now you say under the Sterling administration that it was a new program and they did not know much about it. And this relief situation has increased in size from day to day and there is now a tremendous amount of people who are on the relief roll and it requires a tremendous amount of overhead and administrative expense to take care of the situation as it exists now. Do you think that either under the so-called Sterling regime or under the present so-called Ferguson regime, that there is any money that has been needlessly wasted.

A. Well, Senator, I will say to you frankly that there has perhaps been some work, done that was not strictly in accordance with the plans of the relief program, because in many instances the method of distribution, the plan or program for the distribution of this was not understood—that there has not been a

proper check on all of this because it was not known just how this was to be done; some mistakes have been made in the matter of expenditures on the public works program, that was not contemplated as being public works expenditures. I say that without any intention of criticism. I merely make that as a statement of fact. I am sure that quite a lot of money was wasted. I believe that a number of people have received relief who were not entitled to it?

Q. You found that same condition existing both in the Sterling administration, under the Sterling plan and under the plan as set up under the Ferguson administration?

A. Yes. We have been constantly endeavoring under the instructions of the Federal Relief Administrator to set up a method of administration and of accounting and auditing that would obviate a recurrence of that. Naturally there was and still is and will be until such time as we have perfected an organization that will be able to function perfectly. Under the old method of accounting, under the method previously set up for accounting, and administration it was an easy matter for things to get by. This method is now in the process of development or evolution at this time. We are now getting an organization that will function pretty well, but this can not be done in a day. I do not think that anybody ever had any idea that there was any misappropriation on the part of those who were charged with the administration of these funds. I feel that there was, in fact I know that there was misapplication, rather than misappropriation of funds in some of the counties, but I do not think that the regional chambers of commerce had anything to do with that. There is perhaps still some misapplication not strictly in accordance with the spirit of the relief act, but we are still working on that.

Thereupon on motion duly made, the Committee of the Whole recessed until 2:30.

Afternoon Session.

The Committee of the Whole met at 2:30 p. m., whereupon the following proceedings were had:

Chairman Purl: The Committee of the Whole Senate will come to order.

Senator Small: Mr. President, in view of the fact that Mr. Westbrook has been on the stand for a long time and he is here available at any hour almost, I think it would be proper to digress here long enough to introduce a few witnesses who want to leave town. I make that as a motion.

Senator Holbrook: Mr. President, I want to ask one certain question.

Chairman Purl: Do you yield to the Senator from Galveston?

Senator Small: I yield.

Senator Holbrook: I just talked with Doctor Gibson of Galveston who has had charge of the relief work there until August. I asked him to come up here in the morning; I want him to go over this matter and I would like to have Colonel Westbrook present at that time.

Senator Small: The Steering Committee, there are four of us here, have no objection to that course. If there is any objection we would like to know it.

Chairman Purl: Do you want the Committee of the Whole to agree to it?

Senator Small: We would like to have unanimous consent.

Chairman Purl: The Steering Committee, those present, join Senator Small, and ask the unanimous consent of the Committee of the Whole to permit Mr. Westbrook to retire from the stand and have other citizens who are here testify this afternoon. Is there any objection to that course of procedure? (No objection interposed.) The Chair hears none.

Senator Small: I would like to call at this time Mr. John Abney of Lampasas County.

Thereupon Judge John Abney was sworn to tell the truth, the whole truth and nothing but the truth, and testified as follows:

Senator Small: You are Judge J. C. Abney of Lampasas, Texas, are you?

A. Yes, sir.

Q. How long have you resided in Lampasas?

A. Forty-three years.

Q. Have you had anything to do with the administration of relief funds in that county recently?

A. Yes, sir.

Q. What has been your connection with it?

A. I have been chairman of the county board.

Q. How many members on the county board?

A. There are five.

Q. Can you name them right quickly?

A. Yes, sir, there is C. A. Northington, Fred Wolfe, Frank Baker, Charles Wachendorfer and myself.

Q. Who was your administrator in that county?

A. Mr. O. L. Wallace.

Q. Are you serving in that capacity at this time?

A. No, sir.

Q. When did you sever your connection?

A. Our board resigned about the middle of last week.

Q. What is the name of your field representative or your district supervisor?

A. Frank H. Bushick, Jr.

Q. Where does he live?

A. Well, he tells us he formerly lived in San Antonio. I don't know whether he maintains that as his home now or not.

Q. How many counties does he supervise, do you know?

A. He informed us there were sixteen under his supervision.

Q. How many employees have you had in your organization?

A. Three.

Q. Do you remember what salaries they have been drawing?

A. Well, I can give you that approximately, Senator. The administrator draws \$65.00 a month. We have one inspector, who also helps in the office work, that has been drawing 30 cents an hour and he has been working eight hours a day for five days, I believe it is. Then there was a young lady in the office. I think her salary has been \$50.00 a month.

Q. All right. What has been your overhead expense, that is, the percentage overhead expense?

A. Up to September 1st it was 1.8 per cent.

Q. About how many, if you know off-hand, did you have on your relief rolls?

A. I think we had about 600.

Q. Families or individuals?

A. No, I think there were 200 families; we figured 200 families, about 600 there on the relief rolls.

Q. Who was your supervisor out

there; who did you take your orders from?

A. Mr. Bushick.

Q. Now, I wish you would tell the committee what, if anything, what instructions, if any, were given by Mr. Bushick about writing to the members of the Legislature about this investigation.

A. You mean given to him or by him.

Q. Given by him to you.

A. Along in the early part of last week, Mr. Bushick came in and said he wanted our board to write to their Representative and to their Senator and state that we were well satisfied with the way Mr. Westbrook was handling matters in his relief work, that he was doing it, according to our judgment, in the best way possible, and at the least expense.

Q. Well, what, if anything, did he say about the investigation?

A. We asked him about the investigation and he said, "Well, that won't amount to anything, it is just Holbrook and George Purl mad because they can't get their hands on the money."

Q. Well, did he refer to any of the other Senators and if so how did he refer to them?

A. He didn't refer to them by name; he spoke of them in a very uncomplimentary way, used some curse words about it.

Q. Well, I will not ask you to repeat the exact language. He referred to them in a rather uncomplimentary way, you say?

A. Yes, sir.

Q. Did you discuss with him at the time the question of your overhead expense?

A. Yes, sir.

Q. Tell the committee what he said about that.

A. We told him that under the present set-up that we couldn't see how it would be possible for us to continue with our work without spending a great deal of money on overhead; that the reports had become so voluminous that we would be forced to have a number of extra helpers. "Well," he says, "that is all right, get all you want." We explained to him that we could not get these helpers from the people who needed relief, that it would take an expert accountant to make out these reports and carry on this work,

that we could not find a helper who would be qualified to do this, so he says, "Well, that don't make any difference whether they need relief or not." He says, "Get ten if you need them, but get these reports in by October 1st, we have got to have them." We said, "Mr. Bushick, we have no way to pay these helpers." "Well," he says, "that is all right. Go to your groceryman and get him to charge it as groceries; he can turn the money over to you." So we decided if we had to perjure ourselves in making reports that we knew to be false, it was time for us to quit.

Q. In other words, he asked you to go to some groceryman and let him advance the money to pay for this extra help that you thought was unnecessary, for these detailed reports and charge it for money as groceries purchased, claim it was a grocery bill?

A. Yes, sir.

Q. Well, how long was it after that until your committee resigned?

A. Well, it was shortly. We had a meeting right after he left and every man just said he wouldn't work any longer under those conditions.

Q. Give the committee here some idea of the volume of the report that you have to make on each individual case.

A. Well, there was one report there that it took our administrator 30 minutes to fill out, one report on one man.

Q. Well, did that require a physical examination?

A. We had orders to examine every man physically if he got any relief work.

Q. Have you been trying to work those men out there and get the very best results possible out of the expenditure of those funds?

A. Yes, sir.

Q. Mr. Abney, the committee that you have out there, are they representative citizens of the county, that is, except yourself?

A. I think so. Mr. Wachendorfer is superintendent of our public schools. Mr. Baker is a ranchman connected with one of the banks there. Mr. Fred Wolfe is assistant cashier in the First National Bank. C. A. Northington is cashier in the People's National Bank.

Q. What is your position, if any?

A. They wished the job of mayor off onto me.

Q. You are mayor of Lampasas?

A. Yes, sir.

Q. You have held the office of county attorney and other positions there?

A. Yes, sir.

Q. How long have you been mayor?

A. I am starting in on my second term. I was re-elected in April.

Q. Well, who selected this committee, do you know?

A. No, sir, I don't. The county judge asked me if I would serve. I understood from him that the commissioners' court sent in the recommendation on this committee, and it was approved and came back to them and they confirmed my appointment.

Q. Mr. Abney, have you got a park out there?

A. No, sir, we have a piece of ground; we thought we were going to have a park.

Q. How much ground is there?

A. Why the citizens donated 143 acres for park purposes.

Q. With whom did you deal with reference to your park?

A. Our first conversation was with Mr. Colp, Mr. D. E. Colp.

Q. Who else?

A. Shortly after that we were informed that Mr. Colp had nothing to do with the parks any more and our committee came down and talked to Mr. Dale, F. A. Dale, in Colonel Westbrook's office.

Q. What representations were made to you in order to get your citizenship to donate that 143 acres?

A. Before this 143 acres was donated, before the money was raised, they told us that they would build a State park there.

Q. Who told you that?

A. Mr. Dale. That one of the C. C. C. camps would be located there for not less than six months and that he was confident it would run for a year or longer; that \$18,000 would be spent on permanent improvements; \$7,000 on transportation and \$2,500 on tools; that that was the amount that would be spent.

Q. What permanent improvements were to be put there?

A. He told us that he would

build fourteen cottages, stone cottages in the park, that there would be a low water dam to make a lake, stock it with fish, that there would be a general beautification of the grounds, there would be a stone entrance, that there would be a polo field, a baseball field and various drives around over the place. He said, "And anything else that you all would suggest. We would be glad to have your suggestions."

Q. Did your citizenship put up the money on those representations?

A. Yes, sir, we did.

Q. And bought the land?

A. Bought the land.

Q. And deeded it over under those conditions?

A. Paid the cash for it. We tried to get Mr. Dale to let us put in the deed that if it was not maintained as a State park for a period of one year that it would revert back to the citizens but he refused to let that go in the deed, and we went ahead and raised the money and deeded the land to the State.

Q. Did you get a soldier's camp out there?

A. Yes, sir. The boys are there, anxious to work.

Q. What are they doing?

A. Well, so far I think I would be safe in saying there has not been \$250.00 spent on permanent improvements. There are no plans there available to the superintendent. What he tells me, every order he has given is canceled by the time it gets here. They are just marking time.

Q. What have they done in the way of work?

A. They have cleaned out a part of the underbrush over the land and have made a temporary road through it; they have constructed one concrete picnic table about fifty feet long and there is a building and there is a cactus bed there.

Q. They put in a cactus bed?

A. Yes.

Q. How many men have been employed there?

A. There are 197 of the boys, three officers and three non-commissioned officers when they first came there; and I think at this time there are 187 of the boys.

Q. Well, have you had any foreman?

A. Yes, sir, there has been about

six foreman, I think. I am sure there were that many.

Q. Where did they come from?

A. Two of them were local men, I don't know just where the others did come from.

Q. Do you remember their names?

A. Yes, sir. Mr. A. S. Adams, the first superintendent, I think he lived in Bryan at one time. I think I heard him speak of that. Then there is Mr. Butler and Mr. Duncan, Paul Nichols, W. B. Shanks; then there are two surveyors there; and then there is another, Mr. Porter. He is a landscape architect. He designed the cactus bed.

Q. Do you know how they were selected, on what basis?

A. No, sir.

Q. This man Butler, do you know who he is?

A. No, I don't believe I do, Senator. I think, I may be mistaken about this, but I think he is the son-in-law of C. C. McDonald, related to him, a brother-in-law, maybe, or something that way.

Q. You don't know who selected those men?

A. No, sir, I don't.

Q. Well, give the committee here just a general statement, just what those men have been doing out there for exercise or otherwise.

A. Mostly writing letters to Mr. Dale to get authority to do some work. I will say this, the foremen and the men, I think, are very anxious to do the work but they can't get any orders to do any work. They have just been killing time. So far they have not done anything.

Q. How long have they been there?

A. It was about June 18th when they came there.

Q. They were stationed there for a six months period?

A. Yes, sir, that is my understanding.

Q. Do you know whether or not any plans have ever been formulated for them?

A. The superintendent told me yesterday that he had not received any plans of any kind.

Q. Do you know what appropriation has been made for it, if you know. I haven't had time to talk to you.

A. I have a letter in my pocket

that we wrote to Mr. Conrad L. Wirth, whom we understand was assistant director of the National Park Service. We understood that there was to be \$18,000 worth of material used there in permanent improvements. Mr. Dale informed us that there is something less than \$7,500 of the money that would be allotted to use. We couldn't get any satisfaction out of him so we wrote Mr. Wirth and Mr. Wirth answered by letter dated September 20, 1933, and he says, "Our records show that \$7,459.64 is the amount requested for the purchase of materials for the period above mentioned." It seems that they only asked for seventy-four hundred and some odd dollars.

Q. Now, the land was obtained from you by the people getting out and raising a public subscription?

A. Yes, sir.

Q. It was obtained upon the faith that \$18,000 would be expended for permanent improvements, so much for tools, transportation, etc.?

A. Yes, sir.

Q. Those men, they came out there and occupied the premises and all they have done up to this time is to clean out the underbrush, cut out a few weeds, construct a picnic table of concrete?

A. And the cactus bed.

Q. And a cactus bed?

A. Yes, sir.

Q. Just give your opinion to this committee as to the amount of efficiency that has been realized out of that labor out there which has been available, what percentage of efficiency has been obtained from that labor?

A. I can't figure that small, Senator; the percentage is too small. Oh, I don't know, I would say around 10%.

Q. I didn't have very much time to talk to you. Is there any other statement you want to make in connection with the relief situation in your county, or the park situation there? If so, make it.

A. The only statement that I would care to make is just this, that that board has always been willing to serve without compensation; they have served without compensation and they would be more than glad to continue working if they could continue it under proper surroundings, but they will not operate as a

board if they are expected to make false reports.

Q. Mr. Abney, from your experience as county attorney and mayor, and your knowledge of conditions prevailing in counties, the spirit of your county, I will ask you to tell this committee whether or not in your opinion those funds could be distributed and the work supervised by the commissioners of your county or a county of that size in an efficient manner.

A. Yes, sir.

Q. You think it could?

A. I think it could without question if they would leave off the red tape and the reports, but it takes an army of helpers to make those reports. They can actually do the relief work. Our policy was to select men we had confidence in and let them do the work. They have done it for a little over a year; they carried on that relief work ever since it started and I think the other board was very successful in the work.

Q. The board that preceded you?

A. Yes, sir.

Q. And this committee you have, which has been functioning out there was one which was appointed, you think, by your county judge, at least you were suggested by your county judge?

A. Well, Senator, all I can tell you about that is that he asked me if I would serve. I don't know who made the suggestion.

Senator Small: All right.

Senator Rawlings: I want to ask one or two questions of Mr. Abney. Do you think in your county, we will say, if this Legislature authorized the issue of so many bonds, that is, relief bonds, that that money could be allocated to your county and turned over to the commissioners' court or some other agency designated there by the citizens, it could be handled without additional expense to the State for administering it?

A. I will say we did that in our county.

Q. Do you think it is necessary to have a bunch of case workers, welfare workers and social workers, to look after the relief of the needy in your county?

A. I do not.

Q. Could you take a part of the

fund allocated to you from this bond issue and administer it through your county commissioners' court without additional cost to the State?

A. I think you could for the simple reason that the county judge and the commissioners' court know practically every man in the county.

Q. Do you think it is necessary to have some of these case workers visit there a few weeks to determine whether they are able to work or not?

A. I wouldn't say, but I don't see any reason for it.

Q. What is the population of your county, Mr. Abney?

A. It is right around 9,000.

Q. Do you think that same condition prevails in other counties of similar size?

A. Yes, sir.

Q. And the adjoining counties there?

A. Yes, sir.

Q. Wouldn't that be true throughout the State except in very populous centers, that the commissioners' court is more or less familiar with local conditions all over the county and know what the need for relief is?

A. I would think so. Under this last set-up now, we can't have the weeds chopped on the streets without sending in an estimate of what it is going to cost; how many men it will take and everything; and then we have to get it approved in Austin. Under the old system the administrator would send in his report to Austin and when they approved it, would go ahead, it being left entirely to the discretion of the board.

Q. Could your county provide local work there like lateral roads and things like that and use this relief labor?

A. Yes, sir, I think so.

Q. There would be plenty of work there for those who are physically able to work, to do some character of work if those funds were utilized for such work?

A. Yes, sir.

Q. Is that true in adjoining counties, too?

A. I think so.

Senator Rawlings: I believe that is all.

Senator Martin: I would like to ask a question, Mr. Chairman.

Chairman Purl: Senator Martin.

Senator Martin: Mr. Abney, if the funds would be turned over to the commissioners' court and if it were ascertained that the commissioners' court was squandering the funds in an improper manner, can you think of any way how the parties, we will say in Austin, in charge of the distribution of those funds, could get it out of their hands into the hands of somebody else?

A. Well, the only thing that I could tell you on that, Senator, is to quote Mr. Bushick again on that. He was telling us about different ones that had been indicated for padding the payrolls of the relief rolls by somebody in Granbury, I think that is where he mentioned where one man had listed a family of seven children. Now, he told us that a former member of the board was the man who was indicted for that.

Q. All right. We will say there is a man in Granbury, it is a good county, was indicted for that kind of an offense.

A. Yes, sir.

Q. If they caught up with one committing an offense like that isn't it true that there may be considerable others in the 240 counties of the State; you know if you get a gang together you are likely to get some dishonest people?

A. Yes, sir.

Q. All right, if the commissioners' court, which is an elective body, should at any time fail and refuse to cooperate with the general plan or program of spending the money like it is suggested and directed that it should be spent, there wouldn't be any way of getting that money away from them. Isn't that true?

A. You mean if they refused to carry out the work?

Q. Yes.

A. Well, I suppose the same authority that gave them authority to get it could retract that authority and put them out of office and put someone else there.

Q. Put the commissioners out of office who are elected by the people?

A. I mean put them out of office as far as handling those funds.

Q. Understand, Mr. Abney, we are going to have here an expenditure of some \$20,000,000 which the people have authorized the Legisla-

ture to issue bonds for when we have set up the machinery to handle that, and if we should designate the commissioners' courts in the various counties to do that and the commissioners' court failed and refused to cooperate, and they should be handling the money in the wrong way, using it for political purposes and other uses not authorized, there would be no way to get them out of office, would there, except under impeachment proceedings?

A. You are a little too deep for me on that. I don't know.

Q. Then, since the management, handling and distribution of these funds is placed in the hands of an elective officer, and they could not be taken out of his hands except through impeachment proceedings, don't you think it would be better to put them in the hands of somebody they could be taken away from when they would not cooperate?

A. I think so.

Q. In other words, don't you think it would be a bad idea to permit an elective officer to handle those funds as a general rule?

A. Well, understand me, Senator, I am not here for the purpose of trying to get this body to turn over the funds to the commissioners' courts—

Q. I understand that.

A. —or anyone else. It is my own personal idea that you will find plenty of good citizens who will serve in that capacity without any pay.

Q. I know that is true, but the question is whether or not it should be put in the hands of an elective officer as suggested by Senator Rawlings through his question, and whether you could get it out of their hands or out of his hands if they or he did not cooperate; didn't use or didn't spend it like it should be spent.

A. I can't call to mind, the method you could use to get it out right now.

Q. What is the population of your county?

A. It is just a little over 9,000.

Q. You have four commissioners' precincts?

A. Yes, sir.

Q. How is the population distributed in the various commissioners' precincts?

A. Well, I would say that Pre-

cinct No. 1 in the town of Lampasas has about a third of the population. Now, Lometa Precinct would be next in size with possibly a fourth, something like that, and the other two precincts are about that.

Q. In your county the dividing line begins at the county seat?

A. Yes, sir.

Q. Each commissioners' precinct takes in part of the county seat?

A. No, the county seat is all in Precinct 1.

Q. Did the commissioners out there handle these funds before the present set-up?

A. No, sir.

Q. Who did handle the funds?

A. We had a committee handling the funds and we had one man who did all the clerical work and the chamber of commerce paid his salary.

Q. Who appointed the committee?

A. Well, sir, I couldn't tell you; if they had any official appointment I don't know of it.

Q. Did any of these committee-men continue to serve in the present set-up?

A. Yes, sir; one man, I think, that was on the other committee is on the present committee.

Q. Do you know about how many people you have on the relief rolls in your county?

A. I think there is about 600.

Q. Six hundred out of nine thousand?

A. Yes, sir.

Q. About one-sixth. Are they in some particular precinct of your county or are they distributed pretty well generally all over the county?

A. The majority of them are in Precinct No. 1 there in town.

Q. Any of these funds turned over to the commissioners' court probably the commissioner of Precinct No. 1 would have to have the majority of the funds allotted to him?

A. Yes, sir, I think so.

Senator Neal: I want to ask the witness if Mr. Key, if you know, is a member of the relief committee?

A. No, ma'am, he is not a member of the committee but we asked the old committee to sit with the existing committee generally to act with us.

Q. He was on the old committee?

A. He was chairman of the old committee.

Q. Do you know whether or not I met you or you met me in Mr. Colp's office about a month ago and you said that you found the camp satisfactory?

A. Senator, we are very much pleased with the camp but we are not pleased with the work that is going on. There is no complaint against the camp or the men who are there operating it. They can't get any orders according to what they state.

Q. Mr. Key said he had gone out and bought this land and at the time he went out to solicit money from the citizens to purchase it he didn't think he could raise ten dollars but he was able to raise it and wouldn't have the camp away from there for any amount of money?

A. Yes, ma'am.

Mr. Westbrook: Mr. Abney, when your committee resigned what method of resignation did you take?

A. We telegraphed our resignations.

Q. What reason did you give in your telegram for resigning?

A. I think we stated in our telegram that the work was becoming so complicated that we did not feel like we could take care of it, and, if I am not mistaken, that the cost of administration was going too high.

Q. You did not say anything in your telegram about a field representative working for us asking you to do an improper thing?

A. No, sir.

Q. Did you communicate in any way with our office to advise us that a representative of that office had made an improper proposition to you?

A. No. If you remember, you wired back the same afternoon to stay there and your field man would be there. We have been waiting for him and he has not shown up.

Q. We requested you to wait for the field man?

A. Yes, sir.

Q. Did we know that the field man had made you an improper proposition?

A. I am sure you did not.

Q. Don't you think you should have advised us in order that we could do something about it?

A. Yes, I think so. I thought

this might come up while I was here. I didn't come down here for the purpose of coming before this committee; I came on other business.

Q. Somebody found you?

A. Yes, sir.

Q. You spoke a good deal about Mr. Dale. Do you understand that he has general charge of this park work?

A. Yes, sir, I do.

Q. That he is responsible for the preparation of those plans you have not been getting up there?

A. That is our understanding, yes, sir.

Q. Do you know for whom Mr. Dale works?

A. No, sir, I cannot say I do.

Q. You do not know that he is an employee of the Federal government, a government man?

A. I will say I understood that he is with the National Park Service.

Q. Are you familiar with the rules and regulations of the Federal Emergency Relief Administration as they have been handed down to your committee by our commission?

A. We get a stack so high every day.

Q. You don't know whether or not these complicated reports that you say would impose too great a burden on your board are required by the Federal Emergency Relief Administration?

A. I understand that they are.

Q. You said, I believe, that Mr. Dale made certain representations to you at the time the land was secured for the park?

A. Yes, sir.

Q. Had any previous representation been made to you by anyone in regard to the securing of the land for that park?

A. Yes, sir; as to the amount Mr. Colp made the same statement.

Q. The same statement that Mr. Dale did?

A. Yes, sir.

Q. He made these statements when?

A. Before Mr. Dale made them.

Q. Do you recall whether or not Mr. Dale made those statements of his own initiative or whether or not your board asked him whether or not the representations made by Mr. Colp would be carried out?

A. If I am not mistaken, Colonel,

we had a telegram from Mr. Conrad L. Wirth, through Mr. Colp, and it stated that those amounts were available for the camp. We took that telegram with us and went to your office to see you and you were busy and we talked to Mr. Dale and we showed him this telegram and he told us that was correct, that would be the amount that would be spent there in Lampasas, and also told us about the kind of improvements he wanted to put in there and they would be put in.

Q. Actually then, the representations you refer to were based on a telegram from Conrad L. Wirth and not upon statements of Mr. Dale; is that correct?

A. No, sir; we called on Mr. Dale for this reason; we realized that Mr. Wirth at that time was in Washington and that anything that would be done in our park would be done through your office in Texas and we wanted to find out from this office just what would be done.

Q. But you did have a telegram from Mr. Wirth stating that these sums that you mention would be available for a park?

A. Yes, sir.

Q. You did not undersand that Mr. Wirth had reference to the minimum amount?

A. No, sir.

Q. You understood from that telegram that that much would be expended?

A. Yes, sir.

Senator Sanderford: Mr. Abney.

A. Yes, sir.

Q. Has there been any local political pressure or anything of that kind come to your relief committee or anything of that kind in regard to the work situation?

A. I think not.

Q. None whatever?

A. I think not.

Q. As a matter of fairness, have you ever seen the blueprints and all of the park system as worked out for the Lampasas park?

A. I saw what I believe is a contour map and that would not be a plan, just a map showing elevations and everything over the ground and there is no plan to it.

Q. You have not seen one setting out the locations of roads and buildings and those things?

A. No, sir.

Q. Mr. Abney, has perchance any

fear of losing that park been created in the minds of the citizens and the committee that has been so diligent in getting it—

Chairman Puri: Please talk louder so the members can hear you.

Q. I say has there been any fear that they might lose that park from any talk that might have come from any member or supposed member of the commission, anything like that?

A. No; we have not acted on anything that the superintendent has told us. When we found out that only \$7,400.00 had been requested for the improvements on there we were very much disappointed and the way we looked at it even at the most it wouldn't be spent between now and December 1st and the committee made the request—asked me to come down here and request this Legislature to turn them the land back. They decided that they didn't intend to build any park and would like to get our land back.

Q. How long has it been since you were down through the park?

A. I was there yesterday.

Q. Did you go all over it and see the work that was being done?

A. No, I couldn't say that I did; I just followed the road in there, that is all; I know generally, though, about what has happened.

Q. With the work that has been done isn't it the outline of a beautiful park?

A. Yes, I think that is the most trouble. Those in charge are expecting to find a grand canyon or a Yellowstone Park and don't realize that people who are used to small things in small communities can be satisfied with very much less. If they would do what they agreed to do on there, we would be perfectly satisfied with it as a park. As far as we understand there is no provision for maintenance as a park and we cannot understand how it can be maintained without the cottages there, which is the only thing that would be revenue bearing; that was our main idea in having the cottages there.

Q. Well, as a matter of fairness to the committee and regarding your outline of what has been accomplished up there; I was invited up there recently and met with a committee of your citizens. They were

very anxious to have the thing put over and so was I. This is not in my district but I was interested in seeing it go over. I saw a lot of work that had already been performed; some wouldn't notice it. They filled in the bank of the river to prevent cave-ins and loss of dirt, built walks, steps in the natural rock and dug wells. I wanted to ask if you had seen what I saw?

A. I made my statement with regard to permanent improvements. I believe I said about \$250.00 had been spent on permanent improvements; now they have built those walks. These boys brought the rock there with their trucks—with the government truck. There was no money spent on that except to pay the boys for their labor.

Q. What I wanted to bring out was that that work had actually been done?

A. Yes, sir; they have prepared the ground for a place to build a park but it's like making a pie and making the crust first; the crust isn't worth anything if you don't get a pie.

Q. The committee that worked so diligently to get that park do they harbor a fear that they won't get any cottages or polo ground or community center or any of those things?

A. Mr. Dale told us we wouldn't get any cottages. There was a man there Saturday looking for a site for a dam and he said, "There is no place to build a dam here," so that is all we can expect. I may be unduly alarmed but one of the things I have in writing is that they only requested \$7,400.00.

Q. Well, I was just asking that because I had promised to help them in any way I could.

Senator Hornsby: To whom was the deed made for the 143 acres of land?

A. Made to the State of Texas for park purposes.

Q. And you want to ask the Legislature to pass a bill reinvesting the title of that land to the citizens who deeded it to the State?

A. Naturally we would rather have the park. If we cannot get the park as promised we would like to have our tract back.

(Witness excused.)

Chairman Purl: What is the procedure? Who will you have next?

Frank W. Chudej, having been duly sworn by the chairman to tell the truth, the whole truth and nothing but the truth, testified as follows:

Senator Woodward: What is your name?

A. Frank W. Chudej.

Q. Where do you live?

A. I live in Austin, Texas.

Q. How long have you lived here?

A. A little better than eight years; eight years and about three months.

Q. What has been your business since you have been living in Austin?

A. I have been connected with the Ferguson Forum and Ferguson industries, both corporations.

Q. What are those corporations?

A. The Ferguson Forum, the Quality Stock Farm, the Bosque Creamery, Live Oak Dairy and Mrs. Ferguson's separate estate.

Q. Who are the stockholders of the Ferguson Forum?

A. At the present time myself, John F. Maddox and Miss L. Horan.

Q. They are the only stockholders?

A. Right at the present time.

Q. Who is Miss Horan?

A. She is an office girl in the Ferguson Forum.

Q. What other corporations did you mention?

A. The Quality Stock Farm.

Q. Who are the stockholders of the Quality Stock Farm?

A. I think Mr. Robertson of Meridian, James E. Ferguson and Mrs. Ferguson.

Q. What other corporations?

A. The Live Oak Dairy.

Q. Who are the stockholders of the Live Oak Dairy?

A. Governor James E. Ferguson, Mrs. Ouida Nalle and Miss Doris Ferguson.

Q. What is the other?

A. The Bosque Creamery.

Q. Who are the stockholders in that?

A. Mrs. Ouida Nalle, Mrs. Doris F. Watt and Miss Horan.

Q. And no other persons?

A. No other persons.

Q. Did you hold any official position with the Ferguson Forum during this year?

A. Yes, sir; I was the president of the Ferguson Forum.

Q. How long have you been president of the Ferguson Forum?

A. Since its incorporation, September 26, 1930.

Q. Are you acquainted with Governor James E. Ferguson?

A. Yes, sir.

Q. Were you occupying the position of president of the Ferguson Forum corporation in January of this year?

A. Yes, sir.

Q. Are you now connected with it?

A. No, sir.

Q. When did you sever your connection with it?

A. The 19th day of August of this year.

Q. Where were you beginning with the 4th day of January of this year?

A. I was connected with the Ferguson Forum.

Q. And were you connected with it every day?

A. Yes, sir.

Q. From that time up to the time you severed your connection in August?

A. Yes, sir.

Q. During that period of time has Governor James E. Ferguson delivered any money to you?

A. Yes, sir.

Q. For deposit in any bank?

A. Yes, sir; from time to time.

Q. What was the nature of the money?

A. Well, it came in currency.

Q. In what?

A. In currency.

Q. Of what denomination?

A. All the way from fifty dollars up to a thousand.

Q. You mean that is the denomination of the bills?

A. Yes, sir.

Q. This was all in cash?

A. Yes, sir.

Q. What instructions were given to you at the time he delivered the money to you?

A. To deposit it at the bank.

Q. What bank?

A. The American National Bank of Austin.

Q. Did you follow those instructions?

A. Yes, sir.

Q. What did you obtain from the bank as evidence of deposit?

A. I got the pass book and the deposit slip; we kept the duplicate deposit slip.

Q. Do you know where those deposit slips are?

A. Kept in the Ferguson Forum office.

Q. Do you know where the pass book is?

A. It is there, was there the 19th of August.

Q. When this money was delivered to you did you make any entry of it?

A. Yes, sir.

Q. In what?

A. In the ledger of the company and I made a copy for myself.

Q. I will ask you to examine this sheet and state to the committee if that is a correct copy of the record entries you made in the ledger to which you refer.

A. This is the correct copy, photostatic copy, my copy that I made.

Q. Was your copy a correct copy?

A. Yes, sir.

Q. Is that a correct photostat of the original entries made by you?

A. Yes, sir.

Q. I wish you would read to the committee the date and the amount of the first deposit.

A. January 4th \$230.00, January 11th \$300.00, January 13th \$200.00

A voice: We can't hear you.

Chairman Purl: Talk a little louder, please.

Mr. Chudej: Shall I start over again?

Senator Woodward: Yes, sir.

A. January 4th \$230.00, January 11th \$300.00, January 13th \$200.00, January 21st \$500.00, January 27th \$1,000.00, February 4th \$350.00, February 7th \$300.00, February 15th \$150.00, February 22nd \$250.00, March 3rd \$200.00, March 7th \$250.00, March 25th \$340.00, April 1st \$1,000.00, April 11th \$1,000.00, April 16th \$200.00, April 22nd \$100.00, April 25th \$300.00, April 25th 100.00, May 2nd \$200.00, May 4th \$300.00, May 4th again \$105.00, May 8th \$450.00, May 10th \$250.00, May 29th \$300.00, June 2nd \$260.00, June 11th \$1,000.00, June 19th \$1,000.00, June 20th \$600.00, June 27th

\$1,100.00 June 27th \$200.00, July 3rd \$530.00, July 5th \$300.00, July 6th \$1,000.00, July 7th \$1,000.00, July 16th \$400.00, July 20th \$200.00, July 21st \$200.00, July 29th \$300.00, August 8th \$150.00, August 17th \$300.00, August 18th \$360.00. Now that all went to the Bosque Creamery account.

Q. Under whose instructions?

A. The instructions of James E. Ferguson.

Q. Did you write any checks against that account?

A. Yes, sir.

Q. At whose request?

A. At his request.

Q. What were the checks for?

A. For various things like he would pay his insurance, pay the grocery bill for the mansion, telephone and other things.

Q. What does that total?

A. Totals to \$17,905.00.

Q. Are there any other deposits?

A. Yes, sir, for the Ferguson Forum account, to their credit January 16th \$500.00, January 23rd \$500.00, March 11th \$100.00, May 20th \$200.00, May 26th \$150.00, June 20th \$200.00, June 22nd \$300.00, July 24th \$250.00, July 31st \$200.00, August 8th \$450.00, August 10th \$100.00, August 12th \$100.00, August 17th \$200.00.

Q. What is the sum total of both deposits?

A. Well, it is \$3,795.00 of the other making a total—there are three more deposits.

Q. To what account?

A. C. C. McDonald Anti-Prohibition account. July 3rd \$100.00, August 8th \$200.00, August 12th \$200.00, making a total of \$22,100.00.

Q. Was all of that money delivered to you in currency?

A. Yes. Some of it went to Miss Nell Horan and she told me.

Q. How much?

A. I don't think it was over a thousand dollars or fifteen hundred.

Q. All the deposits were made by you?

A. Yes, sir.

Q. Who superintends or manages that Bosque Creamery Company?

A. Well, James E. Ferguson is the manager, I was the secretary treasurer.

Q. Were you instructed to de-

posit the money as indicated on the sheet you testified from?

A. Yes, sir.

Q. Was anything said to you at the time he delivered it to you for deposit?

A. Yes, sir.

Q. What?

A. To put it to the Bosque Creamery account and credit James E. Ferguson personal account with the amount.

Q. During this period of time I believe you said you had issued checks against that account?

A. Yes, sir.

Q. How were those checks signed?

A. Bosque Creamery by F. W. Chudej, Secretary-Treasurer.

Q. You have listed some of the items these checks represent, do you know of any other items?

A. I don't know if I do, it would be about \$7,000.00.

Q. Do you know what they were for?

A. There were various items, there was insurance every month over a hundred dollars and then some withdrawals, some transfers of funds to Live Oak Dairy and others.

Q. For instance transfers to what funds?

A. To the Forum sometimes, sometimes to the Quality Stock Farm and to the separate estate of Mrs. Ferguson. The payrolls and expenses of the stock farm were paid out of the Bosque Creamery account generally and sometimes out of the Forum account.

Q. How much would the separate account or separate estate of Mrs. Ferguson run?

A. About eight months it ran around four or five hundred dollars a month.

Q. I believe that is all.

Senator Small: Was that butter and egg money, that came in that way?

A. No, sir, the butter and egg money was not listed in that.

Q. That was just paid in currency?

A. Yes, sir.

Q. And whenever the amounts would run into a considerable amount, that would be paid in big currency—big bills?

A. Usually around—in round

numbers—100 dollars, 200 dollars and 500 dollars.

Q. But would it be paid in bills, in five dollar bills, ten dollar bills and hundred dollar bills?

A. Well, on four or five occasions, different times, it was small bills, but generally when the amount was a large amount, it was paid in large bills, hundred dollar bills, five hundred dollar bills and once or twice—one or two thousand dollar bills.

Q. Well, would you always deposit that money on the date that is shown on that record, or the same date that the bank records might show, or the following day, do you recall that?

A. It would generally be on the same day—maybe three or four occasions, on the following day.

Q. You do not know who the money came from, or where it came from?

A. No, sir.

Q. Where is the original book?

A. It is in the Forum office—306 Ewell Nalle Building—the Forum office.

Q. Who prints the Ferguson Forum?

A. The Knappe Printing Company.

Q. Where is that located?

A. That is on East 10th Street—about 110 E. 10th Street.

Q. Do you know of your own knowledge who owns stock in that company?

A. Mr. Knappe, and his boy and his brother.

Q. They were simply under contract to publish the Ferguson Forum?

A. Contracted to print it for so much a thousand copies.

Q. Well, do they do a general printing business?

A. Yes, sir.

Q. What other type of printing do they do?

A. They do lots of State work.

Q. Lots of State work?

A. Yes. Sometimes printing for this Relief Commission.

Q. Oh, the Relief Commission has printing done there?

A. Yes, I saw a lot of forms and—that they were being done.

Q. By that printing company?

A. Yes. Incidentally I ran over them while I was mailing out the Forum.

Q. Well, of course, as a matter of fact, James E. Ferguson has been down here in the Governor's office practically all the time?

A. Well, he comes down to the Forum about once or twice a week.

Q. Would you come up to the Governor's office?

A. No, sir, just once or twice.

Q. He would come down and bring these deposits?

A. Yes, sir.

Q. And so far as you know, he stayed in the Governor's office most of the time.

A. Yes.

Q. Well, the fact of the business is, Governor Ferguson, the man who paid you this money in currency, is the man who has been presiding over the meetings of the Relief Commission?

A. I do not know anything about that.

Q. You do not know anything about that?

A. No.

Q. You never did come up to the Relief Commission?

A. Never have.

Q. And of course you know nothing about where he got this money?

A. No.

Q. Let me see that photostatic copy please—now Governor J. E. Ferguson was not selling anything—any of the products of these other companies of his, the Bosque Creamery, and his other business?

A. No. All sales were made here and in San Antonio and in Waco.

Q. How were the collections made for those sales?

A. By check.

Q. Those payments were made by check?

A. Yes.

Q. Then the sources from which this currency originated, you do not know?

A. No.

Q. Now on this photostat here, I notice on the date of January 21, and again on January 27, there was an item set out here—there is written out here at the side of that JEW—does that refer to any individual—

A. That is just for my information.

Q. What information does that convey to you?

A. Well, well, Jim's little black

book that he kept an account in—had SER—that he kept an account of some receipts in which was available to me at that time—had SER after those various amounts.

Q. What is the black book—

A. Well, he kept two of them—one in the office—that he turned over to me, and the other had in it his receipts and the sources from which he received them.

Q. Did you see the one showing the receipts and sources from which the money came?

A. In a few instances I did.

Q. Do you know who those initials stand for on here?

A. Well, I put SER there—that stands for—those initials stand for S. E. Roddy's initials.

Q. Did you designate those as JEW?

A. Yes, sir.

Q. Was Mr. Roddy a Jew or a Gentile?

A. I think he was a Jew.

Q. Where does he live?

A. Temple, Texas.

Q. What business is he engaged in?

A. Dry goods business—when I worked for him.

Q. You formerly worked for him?

A. Yes, sir.

Q. When?

A. 1918.

Q. Has he been very prominent around the Capitol lately?

A. Have not seen him for the last two months—weeks.

Q. Have you seen him since the Legislature convened?

A. No, sir.

Q. But he has been in and out here since January 1st of this year?

A. Yes.

Q. Has he had anything to do with the patronage distribution in this State?

A. I could not answer that.

Q. But at any rate, do you know what his relations have been with Governor Ferguson?

A. Very friendly.

Q. Well, was this man Denison that was appointed on the Highway Commission, do you know him?

A. Yes.

Q. Have you seen him around here?

A. Yes.

Q. What were the relations that

existed between Roddy and Denison?

A. They usually came together—they usually were together when I saw them. Sometimes Mr. Denison was absent and sometimes Mr. Roddy was with him.

Q. Do you know of any other departments in the State offices that Mr. Roddy has figured in?

A. That would be opinion only.

Q. By the way, the item of five hundred dollars on January 21, and on January 27, and on April 11 of one thousand dollars, and April 25 of three hundred dollars and May 4, of three hundred dollars, and June 2 of one thousand dollars, and July 7 of one thousand dollars—after those notations—after these items the notations was made after them JEW?

A. Yes.

Q. And that refers to this man Roddy and you got those figures from the black book?

A. Yes.

Q. Where did they keep the black book?

A. I have seen it—I have not seen it the last month or so. It was usually kept in the inside of James E. Ferguson's safe.

Q. What do you mean by that—by safe?

A. It was a Seibold safe; there was a little safe on the inside of that safe, in the upper part of the same, I had the combination to the outer door of the safe, but did not have the combination to the little safe on the inside of it. I have never had it.

Q. In other words, then, it was a kind of sanctum sanctorium.

A. I do not know. I do not know what you mean—I know that there was a little safe on the inside of the big safe, and I did not have the combination to that.

Q. That was a very private affair?

A. Well, in a way.

Q. You did not have access to that safe—did not have the combination to that inner safe?

A. Not that one on the inside. I had the combination to the other part of the safe—the one on the outside door.

Q. Do you know who had that combination?

A. J. E. Ferguson alone.

Q. And that was the place where the little black book was kept?

A. Well, sometimes he left it on the table, and sometimes he had it on his desk, but lately, about the last six weeks before the Legislature met it disappeared, and I do not know where it is.

Q. You, you did not have access to that?

A. No.

Q. Now that last notation that you put on there JEW, the last time that you put that on there, was that the last date that you saw that little black book?

A. Yes, that was the last time I saw it.

Q. Do you remember whether or not you saw Mr. Roddy around here about the time you—about the time any of those dates are on this sheet here?

A. Invariably, yes. He was here immediately prior to on the day that the notations were put on there or within a day or two of it.

Q. Mr. Roddy then, brought in most of the big receipts?

A. I do not know whether he did or not. I have it credited that way.

Q. Do you have any idea where—do you have any idea who these small fellows were who brought in the other items—

A. That would be an opinion only.

Q. This money that came in here on July 3, and August 8, and August 12, was that for the anti-prohibition campaign?

A. Yes. I was secretary of the repeal campaign.

Q. What became of that?

A. That was spent for various things; printing of literature, stamps, and pay of help at the campaign headquarters.

Q. You mean the repeal headquarters?

A. Yes.

Q. You handled the subscription list for the Ferguson Forum?

A. I do not know what you mean by that.

Q. Who took the money for the subscriptions, the circulation for the Ferguson Forum.

A. Sometimes I did, and Miss Horan and sometimes J. E. Ferguson brought it.

Q. The money that came in for subscriptions to the Forum, is that in here?

A. Yes.

Q. How about the advertising—who collected for that?

A. It came in for checks—came in checks from the various companies that advertised.

Q. Are any of those checks?

A. No.

Q. Those are all cash?

A. This is cash.

Q. All of those checks were credited to the Forum account as a rule?

A. When a check was for advertising—yes.

Q. And the subscription money—what was done with that?

A. That went to the Forum.

Q. How did that come in—

A. Sometimes in a dollar bill or a dollar and a half money order.

Q. Do you know of anything in connection with the business of these four corporations that you have testified about here that would occasion the payment of these sums of money in cash?

A. No. All the other business was carried on by check. And this money that came in as advertising from these advertisers, it was credited on the Forum books as advertising. Sometimes it was extra circulation. Credited to that account. Separate accounts were kept of all that. There were headings on the books, circulation, advertising, and extra circulation. None of these items represents any of that.

Q. And as a result of the other businesses, did any of that money come in—that cash, as a result of the other businesses?

A. That comes in checks. And sometimes, a little cash was brought in by the salesmen, when they checked in.

Q. And none of the business done by these several companies is represented in the money here?

A. Not a dollar of it.

Q. And these other sources of income, you do not know anything about it?

A. No.

Q. Nor where it came from?

A. No.

Q. Aside from these business activities, did James E. Ferguson engage in any other business around about that time?

A. Not since January first. Prior to that time he has been connected

in some cases tried, one or two cases for oil companies, some oil companies like the Refugio Development Company of Refugio and the Shannon case, but that was some time ago.

Q. But, you know of no other business enterprises in which he was engaged?

A. No, I do not.

Q. You know, as a matter of fact, that he has been the de facto Governor of Texas?

A. I do not know who the Governor is.

Q. Now, do you mean to tell this committee that any portion or part of this money went into the account of the Governor of Texas?

A. Mrs. Ferguson, yes. It paid for the labor and bought the feed of the farmers practically, from January 1 until the date I resigned.

Q. That was her separate business?

A. Yes.

Q. Conducted in her name?

A. Yes.

Q. Now, then, the expenses of the mansion where Mrs. Ferguson lives? Was that paid in part out of this fund?

A. Yes, it was paid every month.

Q. That originated from this money here—from that source?

A. Yes.

Q. You got out on what date?

A. August 19th.

Q. August 19th?

A. Yes.

Q. How come you to quit?

A. I just decided that it had gone to the bottom.

Q. And you went out on your initiative?

A. Yes, I resigned.

Q. What business are you engaged in now?

A. Do you want me to answer that?

Q. Yes.

A. I am a distributor for beer.

Q. What brand?

A. Miller's High Life.

Q. Any way, while you were employed by the Ferguson Forum, you gave it your undivided time and attention?

A. Yes, I did not comply with the N. R. A. regulations.

Senator Martin: Mr. Chudej, have you named all the other businesses and avocations or employments from which these receipts might have

been derived except the one that you have mentioned as relative to James E. Ferguson?

A. I do not know of any other.

Q. With reference to that little black book, when Jim would carry that out, he would carry it in a little black satchel wouldn't he?

A. No, I do not think it ever left the office.

Q. But, he did lay it out on the table?

A. And at times on the desk.

Q. Where people were passing in and out and around at different times?

A. No body went into the private office of James E. Ferguson, unless he was there.

Q. When he came to the office, he went in there and stayed in there—when he was not there, did you go into the office?

A. That was locked during the time while James E. Ferguson was not in there.

Q. You mean when he was not there?

A. When he was not there, it was locked.

Q. And no one entered it at all then?

A. Well, we had the keys to the office.

Q. Did anyone enter it?

A. Well, Miss Horan and I did.

Q. Any one else?

A. Well, the janitors had a key.

Q. Any one else?

A. No one that I know of.

Q. And that little black book would be left occasionally lying on the table in there?

A. Yes.

Q. And in that room?

A. Yes.

Q. How long have you been connected with the Fergusons?

A. Off and on, for eighteen years.

Q. Did he carry that little black book, or have that little black book all of that time?

A. No, I did not see that black book until about 1928.

Q. That was about when the little black book first came into existence?

A. Yes.

Q. And ever since that time, you have been looking on that little black book with quite a degree of suspicion?

A. Yes, in a way.

Q. And that sanctum sanctorium, you say you did not know just what that was—you did not try to get into that?

Nobody wanted in there—I did not have any business in there.

Q. You did not know the combination of the sanctum sanctorium?

A. No.

Q. You did not wear rubber gloves when you went in there did you?

A. No, I did not put on rubber gloves.

Q. When you went in that sanctum sanctorium?

A. No. I did not. I did not—I never did become suspicious—that book has been in existence since somewhere about 1928.

Q. Now, about that safe. When was that safe purchased?

A. I think that safe was bought somewhere about 1925.

Q. You say, he bought that safe somewhere about 1925—was that sanctum sanctorium in there then?

A. Yes.

Q. And has been in there all the time?

A. Yes.

Q. And he kept the combination to that, and he kept that little black book in there, when it was not lying on the table or on the desk—it was out of the sanctum sanctorium part of the time?

A. When he did not have it with him. He had it in the desk, and he had it out on the table.

Q. Where you could see it, and you saw it?

A. Yes.

Q. When did you take a notion that you were going to need a copy of those entries?

A. I always keep them—every year.

Q. When did you decide to have a photostat copy made?

A. I do not know when they made them.

Q. Where is that book?

A. Which book?

Q. The book from which it was taken?

A. This photostat copy—that is a copy of receipts from James E. Ferguson from day to day in cash.

Q. Is this an exact copy of the photostats here?

A. Yes.

Q. When did you decide that you were going to need this? This yellow sheet that you show here now?

A. Last January; I always keep them every year.

Q. Then, there is nothing so bad about you keeping these sheets—these yellow sheets? ?

A. No.

Q. Have you got any other sheets?

A. I possibly—I may have at home.

Q. Is it an ordinary practice for a man who is secretary of several businesses, for him to keep a separate set of books?

A. Oh, I do not know that I should or should not. I just simply took the precaution to do that in order to be able to protect myself.

Q. And when did you adopt that practice?

A. Along some time about 1928, when I became the secretary-treasurer of these different companies.

Q. Did you keep a set of books there in the office?

A. Yes.

Q. Did you keep a copy of all these transactions?

A. No, just kept a copy of those items there.

Q. What is the difference between that sheet and the books in the office?

A. The only difference is that the books in the office will show the credits and the books in the office will also show the charges.

Q. The books in the office show both the charges and the credits?

A. Yes.

Q. There is nothing in the records of the office to show where this came from at all?

A. It shows the receipts.

Q. Is this a copy of the receipts?

A. No, it is not a correct copy of the credits. It has none of the checks. There was an account kept J. E. Ferguson, Bosque Creamery Account and there were some checks issued to the J. E. Ferguson personal account.

Q. You do not understand what I am getting at now. This sheet here purports to give the amount of money that was delivered to you at different times?

A. Yes.

Q. Is that represented in those books over there in the office?

A. Yes, showing both income and expenses.

Q. Now, is that borne out by the records of the office?

A. Yes.

Q. And from the receipts you have made this copy here?

A. I made it out at times and kept a copy of it for myself.

Q. Did you tell a single person about having this copy here?

A. Yes, I made it out so that I might keep a copy of it for myself.

Q. You just made that copy of it and when was the first time that you showed that or let any one know that you had that copy?

A. I made that out, thinking that I might need it to protect myself.

Q. And you did not say anything to anybody about having this yellow sheet, and you did not talk to anybody about that until yesterday?

A. Yes.

Q. And you say you were doing this because you might need this—that something might come up so that you might have to protect yourself—

A. Well, such things sometimes happen.

Q. What is the difference of having one set of books and two sets of books?

A. Well, I wanted one for my own protection.

Q. In other words, you were at outs with Jim Ferguson and you were very suspicious of him and you were afraid that he might say something—that he might say that he gave you the money and you did not get it?

A. When two hundred dollars was turned in by a man in cash—

Q. I am asking you the question. When was it that you became suspicious of Jim Ferguson and became afraid that he would charge you with not making a proper accounting of this money?

A. Well, sometimes I might have overlooked it on the ledger—putting it on the ledger.

Q. If you overlooked putting it on the ledger—did you ever do that?

A. Not necessarily.

Q. You were going to check and double check?

A. Yes.

Q. When did you make up your mind that you needed to have a photostat copy of this made?

A. I don't know.

Q. To whom did you deliver it?

A. There were several people about at that time.

Q. Who—when was that?

A. The last three weeks.

Q. Who saw it?

A. Roy Tennant.

Q. Nobody else saw it that you know of?

A. I know that Roy Tennant saw it.

Q. You did not even show it to your wife?

A. Well, she had access to all my papers. I have no secrets from my wife.

Q. All the people in the office had access to it?

A. Sure they had.

Q. Everybody had access to it?

A. Yes.

Q. But the only people that you know of who have seen this yellow slip in the last few weeks and to whom you showed it was Roy Tennant?

A. Yes.

Q. That is the same Roy Tennant who was sorely disappointed because he did not receive an appointment on the State Board of Control?

A. Probably so.

Q. And then, you were so sore you would attempt to bring forth this yellow slimy sheet and undertake to slander the good name of a man?

A. No.

Q. And it was a despicable effort on your part to besmirch and bedim and assassinate the character and destroy the good name of a citizen of this State?

A. No.

Q. When did you make up your mind that you would do that?

A. Never did make that up,—no.

Q. Who else have you talked to about this, except Roy Tennant?

A. I talked to some of the Senators.

Q. Who?

A. Walter Woodward, and Senator Clint Small.

Q. When?

A. In the last three weeks—two weeks.

Q. Who else have you talked to about that?

A. Nobody.

Q. You went to see those gentlemen and told them about this?

A. No.

Q. Or did they come to you and ask you what you had on them?

A. No.

Q. Did not have a thing to say about that?

A. No.

Q. How did you manage to get together?

A. Just met them casually.

Q. Did you just casually meet them and say you had a yellow slip?

A. Did not say that.

Q. Did they come to you and ask you just casually if you had anything?

A. No.

Q. Then how did you get to exhibit it to them?

A. I showed it.

Q. Now, with reference to these figures you say you made on here. How come that this JEW is made on here with ink and the other is made with a pencil?

A. That was when I checked over the black book.

Q. When you checked over the black book?

A. Yes.

Q. When did you check over the black book?

A. It was some time about the—in June.

Q. Are you certain it was about in June?

A. Maybe in July.

Q. Have not checked it up since then?

A. No, have not seen it. It might have been in July,—I do not remember the date when I put that notation on there.

Q. You did not put that down at the time when you made this entry here?

A. No not at that time, but I know when this happened.

Q. Jim left this black book out and you got hold of it and wrote some initials on here?

A. I did not do that.

Q. Did somebody else see you do it?—Was it day time or night?

A. Day time.

Q. Did you keep the lights on when you were putting this down?

A. No.

Q. You thought it was some bugger—an awful bugger?

A. It was not a bugger?

Q. You did not get scared—it did not scare you while you were doing that—you could lay your hands on that black book and did not expect it to explode?

A. No.

Q. Nothing like that?

A. No.

Senator Woodward: Mr. Chairman, I would like to ask a question while these gentlemen are waiting, while they are examining that, I would like to ask some questions.

Senator Martin: That will be all right.

Senator Woodward: Mr. Chudej, when is the first time, so far as you know, that I ever saw you?

A. I think about ten days ago.

Q. I will ask you if it is not a fact that you sent word to me that you wanted to see me?

A. Yes, sir.

Q. That you had some information you wanted to give me.

A. Yes, sir.

Q. And we had a conversation.

A. Yes, sir.

Q. I will ask you if it is not a further fact, in that conversation, before you gave me any information that I told you in substance, that I told you this that I did not have any curiosity about James E. Ferguson's private affairs?

A. Yes, sir.

Q. That I didn't want any information from you unless it was of some benefit to the Senate of Texas?

A. Yes, sir.

Q. That I didn't want you to tell me anything as a secret, that I was to be at liberty to divulge whatever you told me?

A. Yes, sir.

Q. Now, then, you told me in substance what you have testified?

A. Yes, sir.

Q. And you exhibited to me at that time these documents that have been exhibited here?

A. Yes, sir.

Q. Now, one question I forgot to ask you awhile ago. Did any of this money, so far as you know, come from the private estate of Mrs. Ferguson?

A. None, that I know of.

Senator Woodward: That is all.

Senator Martin: Then why didn't

you tell me a while ago just how you got in communication with Senator Woodward?

A. I came up on the floor of the Senate.

Q. Why didn't you tell me that awhile ago?

A. Tell you what?

Q. When I asked you the question, that you sent word that you wanted to see him; that you came up on the floor of the Senate and talked to him and told him you had some information that you wanted to give him; why didn't you tell me that awhile ago?

A. You didn't ask me that.

Q. Didn't I ask that question a little while ago; didn't I?

A. Not if Senator Woodward sent for me or whether I sent for him.

Q. I asked you how you came to get together.

A. Well, we met over there casually.

Q. You sent him word that you had some data, wanted to give him some information, do you call that casual?

A. Yes, sir.

Q. When he told you he was not interested in James E. Ferguson's private affairs, you made up your mind then to come to this desk with this—at that time you had this photostatic copy?

A. I did not.

Q. You did not?

A. No, sir.

Q. You had the yellow sheet then?

A. Yes, sir.

Senator Martin: I think that is all.

Senator Small: Just one question. Do you remember when it was that you and I met?

A. No, I think somewhere in the lobby of the hotel.

Q. Do you remember the occasion of my coming out of the coffee shop of the Driskill Hotel and someone introducing us since this session?

A. Yes, sir.

Q. As far as I remember, that was the first time we had met. Do you remember any other occasion, that is, we have been introduced formally?

A. No, sir.

Senator Martin: One other ques-

tion that I want to ask, please.

Chairman Purl: All right, Senator Martin.

Senator Martin: If you had gotten appointed as a member of the Board of Control, what would you have done with the yellow sheet?

A. I don't know; kept it.

Q. Kept it?

A. Yes, sir; just like I have kept it.

Q. You are exposing this now, as you say, like a patriotic citizen, a man interested in the affairs of the state, is that right?

A. Yes, sir.

Q. But if you had gotten appointed on the Board of Control the public would never have known a thing on earth about it?

A. I didn't think that I would have been appointed.

Senator Martin: That is all.

Senator Sanderford: May I ask a question, Mr. Chairman.

Chairman Purl: Senator Sanderford.

Senator Sanderford: Mr. Chudej, you stated that you had been with Governor Ferguson about eighteen years?

A. I was with him during the campaign since 1914.

Q. In other words, for a period of about fourteen years, from the time you were married on up Governor Jim has been responsible for the most of your subsistence, taking care of you and your family?

A. No. In 1925 I came at his invitation.

Q. When did you first decide to double cross him?

A. He double crossed me first.

Q. I will put this question. When did you decide to bring this yellow sheet and show it to Senator Woodward and Senator Small?

A. I did it to prevent confirmation of Mr. Meyer.

Q. Why did you want to prevent the confirmation of Mr. Meyer?

A. Because I had reason to believe that a repetition of 1925 and 1926 would come again.

Q. You mean that Mr. Meyer, on the Board of Control, would act just like Roy Tennant did in 1926?

A. No, like Frank Lanham and Joe Burkett did on the Highway Commission.

Q. You didn't make a threat that

you would bring this out if the Governor did not appoint you?

A. No.

Q. How much money did they pay you to reveal this yellow sheet?

A. Who paid me?

Q. Anybody.

A. Nobody; not a cent; I am not to be bought.

Q. You were just keeping this yellow sheet as a matter of safety. Didn't you know that the bank records, the deposits for all time, reveal every penny that you deposited to any account to which you were instructed to deposit them?

A. Probably they would, but in case of Jim's memory failed, it failed a lot of times, like it failed on other occasions they accuse a man wrongly.

Q. Well, why did you make a little yellow sheet?

A. I always kept it for my own protection.

Q. This is not the original, it is just taken—

A. Just taken down, that is the amounts as given to me.

Q. Nobody saw you take them down?

A. I don't know; they had every opportunity to observe me; there were five or six people in the office.

Q. You couldn't produce anybody that could corroborate the fact that you did take this down originally?

A. I don't know whether they did or not, because I was writing hundreds of checks where people saw me making deposits; lots of people saw me every day.

Q. Who did you give the yellow sheet to to have it photostated?

A. Roy Tennant and I did it.

Q. You and Roy Tennant. Who invited you here to testify?

A. I was invited by Captain Holt.

Q. Captain Holt?

A. Yes, sir.

Q. Was it signed by the Steering Committee?

A. No. I received a telephone message this morning—no, it was about 1:30; 1:30 or 1:40, something like that.

Chairman Purl: Is that all, Senator Sanderford?

Senator Sanderford: Yes.

Chairman Purl: Senator Murphy. I will recognize you, Senator.

Senator Murphy: Mr. Chudej, will the books of the American National Bank show these deposits?

A. Yes, and in addition to that you will have sales of butter or any other check that may have come in additional, they usually put that on. We would make one deposit slip for both.

Q. The deposits will be larger than shown on these slips?

A. Yes, sales of butter and other income, the sale of cattle, once in awhile we would sell hogs and things like that; yes, they will be larger.

Q. Mr. Chudej, how many of the four Ferguson corporations are you connected with?

A. All of them.

Q. All of them. Have any officers or stockholders of any of these corporations ever spoken to you in regard to those funds about which you have testified?

A. Never.

Q. Do you know whether any of them know anything about this money?

A. I hardly think so.

Q. You did not prepare the income tax report of Governor Ferguson, did you?

A. Yes, sir, I did; not for this past year.

Q. For this year, I mean.

A. Well, I did have it, except some schedules had to be worked out later which I understand Jim Davis did.

Senator Murphy: That is all.

Senator Martin: One other question there. You say you got duplicate deposit slips every time you went and put money in the bank?

A. We kept duplicate deposit slips.

Q. That deposit slip would always show what was deposited, wouldn't it, so much currency, so many checks, etc.?

A. Checks and all the items.

Q. All the items?

A. Yes, sir.

Q. Currency and everything, the deposit slip showed the whole thing?

A. Yes, sir.

Q. You know now and you knew then that the bank would keep the original of that deposit in their files as a permanent record of the bank, didn't you?

A. I never thought about it.

Q. How is that?

A. I never thought of it. I know that a lot have been lost.

Q. Do you know of any instance of the bank ever losing any of those?

A. Since 1925 and 1926, we have not been able to identify a lot of the deposits.

Q. In 1925 and 1926. Did you go back to the bank to see?

A. An agent from the income tax bureau was there, he did; they are still pending before the Tax Board of Appeals.

Q. You were afraid the bank might get negligent and lose some of those checks, is that right?

A. After a period of time they could?

Q. After a period of time?

A. Yes, sir.

Q. Anyhow, when you made up your deposit slip you always put so much cash, so much silver?

A. And so many checks.

Q. And so many checks?

A. Yes, sir.

Q. And you put it in the bank that way?

A. Yes, sir.

Senator Small: Mr. Chudej, was there on income similar to this in 1925 and 1926?

A. Yes.

Q. One similar to this one, kind of originated out of the sky somewhere?

A. I don't know about that, it come from somewhere.

Q. Came from somewhere. Some of those deposit slips were lost and you couldn't tell the source of the income?

A. Yes, there is a motion before us now on the part of the government, they claim that the companies owe—the Forum Company owe additional taxes.

Q. Anyway, there is a controversy over the income of '25 and '26?

A. '24, '25, '26 and '27.

Q. '27?

A. Yes, sir.

Q. Well, regardless of when you decided to make this disclosure, who you talked to about it, is there anything in this record that you know of that is not exactly in conformity with the facts in the case?

A. Nothing at all.

Q. You never did go over this with me in detail?

A. No, sir.

Q. The fact of the business is when I met you down there in the hotel the discussion was more or

less political, I shied off from you, didn't I?

A. Yes, sir.

Q. And have maintained that attitude most of the time since then?

A. Yes, sir.

Q. I never suggested a thing in the world to you about what you should testify, what you should say, how you should reveal this or anything else?

A. No, sir.

Q. Has anyone suggested it to you, any member of the Senate?

A. No, sir.

Q. All this testimony that you have given here has been voluntary on your part?

A. Yes, sir.

Q. It has not been obtained by any sleuthing on the part of any member of the Senate or anything of that kind?

A. No, sir.

Q. And your leaving the Ferguson properties and corporations was of your own volition because you recognized a parting of the ways, is that it?

A. A parting of the ways.

Chairman Purl: Does any member of the Steering Committee have any further questions to ask. (No question interposed.) Senator Blackert wants to ask a question.

Senator Blackert: Mr. Chudej, I understood you to say in answer to Senator Sanderford that you couldn't be bought.

A. Yes, sir.

Q. I further understood you to say if you had received this appointment you would not have divulged this information.

A. I didn't answer that question.

Q. You didn't answer that question?

A. No I didn't answer that question.

Q. Didn't you answer?

A. I didn't know what would happen if I was appointed. I really put my application as a test to Governor Ferguson to see whether he would be true to the Bohemians who formed the nucleus of the strength he has had and he failed most miserably. I want that in the record.

Senator Martin: I would like to have you repeat it again. I didn't hear it all.

A. I say this, that I put James E. Ferguson to a test to see whether he would be true and recognize the

Czech-Bohemian people for their loyalty of eighteen years, for their devotion to see whether he would reward any of them and he has failed most miserably.

Senator Woodul: You say you started keeping this yellow memorandum in 1928?

A. Different times.

Q. You started in 1928?

A. Yes, sir.

Q. Now, when did this matter of income tax come up?

A. 1928.

Q. Now, can you tell us whether that was a definite check so they could finally determine any future dispute as to income taxes, as properly chargeable?

A. Yes, Sir. When the income tax man checked up in 1931, he was able to identify every item. Mr. Mellon checked up on my reports last on the company and he had to come back to the bureau and tell them there was no additional tax due.

Q. Now, your dairy proceeds, there is no question about where you sold butter, hogs, or anything like that?

A. Well, that is checks.

Q. But these other organizations, your books of entry will show that?

A. Yes, sir.

Q. In 1928, when you were getting amounts like this you started to keep a separate memorandum?

A. Yes, sir.

Q. You learned something about income tax matters along in 1928?

A. I did.

Q. Did I understand you correctly to state that while these were deposited to the account of some one of these four corporations that the amount of it would be credited to James E. Ferguson personally?

Senator Woodul: That is all.

Senator Murphy: Mr. Chudej, I believe you testified to this. Did you make this deposit in accordance with instructions of Governor Ferguson?

A. I did.

Q. Jim Ferguson, I mean.

A. Yes, sir.

Q. You deposited it in which corporation?

A. The major part went to the Bosque Creamery; some of it to the Forum; some of it might have been to the Quality Stock Farm, but we didn't keep an account for the Quality Stock Farm, a bank account for the last eighteen months.

Q. But on the books you would put it to his credit?

A. Yes, sir.

Q. But you deposited it to the credit of those corporations, did you, according to his instructions?

A. Yes, sir.

Senator Sanderford: Mr. Chairman, may I ask him a question?

Chairman Purl: Yes, sir.

Senator Sanderford: Frank, did you think the appointment of you as a member of the Board of Control would have been evidence to the Czech people of Ferguson's loyalty?

A. No, I suggested eleven more men before I ever offered myself as an applicant and he turned everyone of them down on every flimsy excuse.

Q. Had he, at that time, found out what was in your mind with reference to that yellow sheet?

A. No. Last December Governor Jim Ferguson called me into his office before Christmas and told me "Frank, anything at the hands of the Governor is yours for the asking." I replied, "Nothing that you now have am I interested in but the corporation that you are interested in is in bad shape and I would rather stay where I am at until the time comes, then I will talk to you." When the time came, Jim wouldn't listen.

Q. Didn't Mr. Roy Tennant tell you that the Governor told him some things about you?

A. No, I don't know what Roy said. Roy has had a lot to say, but he didn't say that.

Q. Mr. Chudej, you say you don't know who had Captain Holt subpoena you here today?

A. Well, he told me to report to Mr. Small.

Q. You don't know that Mr. Small went to Captain Holt and told him?

A. No, I don't know that.

Senator Small: I will state for the purpose of the record that I requested Captain Holt to call this witness over the telephone and tell him to come to the capitol. I think the first time I saw him he was sitting right back there (indicating). I haven't talked to him.

Senator Sanderford: That is all.

Senator Martin: Just one other question. Well, that is all.

Senator Woodward: For the purpose of the record, we want to offer this testimony (exhibiting paper).

Senator Martin: We don't care for all of that to go into the record; it has nothing to do with the subject being investigated. Let it go in, I don't object.

(Thereupon a photostatic copy of "Yellow Sheet" entitled "All this money deposited American National Bank, Austin, Bosque Creamery account Forum account, Anti-Prohibition Campaign account." was received in evidence, and hereto appended.)

All this money deposited
American Natl Bank Austin

Bosque Cry acct

Form acct) antiPro Campagn acct

Jan 4	230 a	Jan 16	500 Jew	July 3	100	
11	300	" 23	500 Jew	Aug 8	100	
13	200	Mar 11	100	" 12	200	
21	500 Jew	May 20	200			
27	1000 Jew	" 26	150		400	
Feb 4	350	June 20	200			
" 7	300	" 22	300			
" 15	150	July 24	250			
" 22	250	" 31	200			
Mar 3	200	Aug 8	450			+
" 7	250	" 10	100			
" 25	340	" 12	100			
April 1	1000 Pmdt	" 17	200			
11	1000 Jew	" 25	200			5800.00
16	200	" 26	345			
22	100					
25	300 Jew		\$3795.00			
25	100					
May 2	200					
" 4	300 Jew					
" 4	105				17905	
" 8	450				3795	
" 10	250				400	
" 29	300					
June 2	260				22,100.00	
" 11	1000					
" 19	1000 Jew					
" 20	600					
" 27	1100					
" 27	200					
July 3	530					
" 5	300					
" 6	1000					X—|
" 7	1000 Jew					
" 16	400					
" 20	200					
" 21	200					
" 29	300					
Aug 8	150					
" 17	300					
" 28	360					
Sept 1	100					
						17905

Senator Martin: What has been the salary paid you through all these years that you have been working for Ferguson?

A. Outside of 1926, \$1800.00.

Q. Just \$1800.00 a year?

A. Just \$1800.00 a year.

Q. That has been received how long?

A. I received that in 1929, '30, '31 and '32. I did get about \$3.00 over the latter part of '27. Then, in '26 the Moody campaign was on and I received \$200.00 a month.

Chairman Purl: Please try to speak out loud so the Senators can hear you.

Senator Martin: You had better get a lock box and put this in; it might get away from you (passing paper to witness).

Senator Small: Do you think you earned that money?

A. I think I did.

Chairman Purl: Proceed with this witness.

Senator Small: That is all.

Chairman Purl: Any further questions by any other members?

Senator Woodward: That is all.

Chairman Purl: Any other questions by members of the Senate?

(No question interposed.) Then you may be excused.

(Witness excused.)

Senator Martin: Mr. Chairman.

Chairman Purl: The Senator from Hill.

Senator Martin: At this particular time I want to ask that this testimony here be not put in the record of the investigation we have had going on here. As a matter of fact, I would like to have it transcribed, I expect to ask that it be transcribed, but I am going to ask that the reporters be instructed not to make it a part of the record of this investigation, this matter with reference to the questions of the machinery which is to be set up here to handle whatever money is voted for relief purposes, if any is voted.

Senator Woodward: Mr. Chairman, I insist that this testimony be made a part of the permanent record.

Senator Martin: I withdraw my objection, Mr. President.

Senator Sanderford: I renew the objection. Mr. Chairman, there has been a good part of the testimony here that has no bearing upon the investigation of the Relief Commission; none that contained any information that was worth anything to the committee in deciding upon legislation for the distribution of the \$20,000,000 bond issue. It has been purely personal. We could have objected substantially and I think sustained in the early stages, but we wanted to let them break their political necks, which has been done, in my opinion.

Now, to start with, the yellow sheet that is brought here is not an original; it is penciled down from what is supposed to be the original; there is no authority for that, and I challenge the honesty of the thing on the basis that a man who will come in and double cross a friend will lie under oath. There is no substantial fact brought out and it has no place in the investigation. So I therefore move that all of Chudej's testimony be stricken from the record.

Senator Woodward: Mr. Chairman.

Chairman Purl: Senator Woodward.

Senator Woodward: I don't care to discuss any political phase of this thing. I don't care what he says about Mr. Chudej. He is not my baby. I don't care what he brought out; I don't intend to discuss that. We do insist that this testimony go into the record as a part of the permanent record in connection with the investigation of the Texas Rehabilitation and Relief Commission for this reason. This record now reflects that the very man for whom these deposits were made has served as chairman of that commission. I submit this as a sound proposition. I don't want to be misunderstood that we can show it, we cannot show that these deposits were made by Mr. Westbrook, but if we could, it would be material. We can't show that. I don't want to be misunderstood. But if we can show that the chairman of the commission, the person who sits there and presides over the commission during that time, has received, from some source which I presume he can explain satisfactorily, the witness stand is open to him, has received from some source, not checks but the cold cash, not in \$20.00 bills but in \$500.00 and \$1000.00, which is deposited to an account, over which he has control, in the bank. We think that it is material on order that we can determine whether or not we want to continue in this State a set-up to be managed and controlled and presided over by whoever it is that handles all this cash money. I think it is material.

Senator Sanderford: Mr. Chairman, may I state that it has been put into the record of this investigation that Governor Jim Ferguson has never voted, has taken no part in the proceedings, except to represent the Governor there, seated at the head of the table at the request of the commission. He has never entered into the discussions endorsing any commission or anything; he has never voted, therefore his personal private business has got no place in this record any more that it would if a client of Senator Woodward brought to him the cash. I mention that, it is purely a parallel case.

Senator Woodward no doubt has been paid money in cash many times. This matter is purely a personal business affair and has no relation to the Texas Rehabilitation Commission and the \$20,000,000 bond issue.

Senator Small: Mr. President, I know of no reason for urging the admissibility of this testimony other than that given by the Senator from Coleman. When it developed on this witness stand early in the week that the Chairman of this Commission was James E. Ferguson, when I learned by testimony and from indirect sources that this was the case, it appeared to me as a lawyer and as a layman and as a Senator that the people of Texas would be materially interested in knowing of the sources of the income and that we as Senators who are solicitous about the management of this \$20,000,000 bond issue would like to know whether or not a situation of that kind is to be permitted by the statutes of the State of Texas. I don't know what has been the action of this depression upon the business of other members of this Senate, but in my small sphere I do not meet very much cash floating around. In this day and time, when banks are being robbed and people are at the mercy of such men as are being tried in Oklahoma City, it is not my observation that \$1000 bills are being carried around promiscuously, and to me the very possession of a \$1000 bill or a \$500 bill would be a strong circumstance in my mind that on its face it is an object of fraud, or else it would be represented by checks similar to the other business that has been carried on by these four corporations. Money in large denominations, money handled in this manner to me is very suspicious, and that I think would be the impression it is making upon the minds of the average individual. I am not trying to bring out any matters that are immaterial. I would like to put everything in this record that is going to throw light upon the management of the affairs of the Texas Rehabilitation Commission, and then let this Senate in its solemn judgment answer the question as to whether or not Texas is to have a Rehabilitation and Relief Commission where funds that have been voted, to see

that those funds will be administered as a charitable proposition and an object of mercy and are not handled by a man who handles bills of large denominations, a man who is not shown to have had any source of income whatsoever, indicating to the minds of this Senate and any other mind that happens to hear this testimony that it is cash receipts of the Governor's office of the State of Texas.

I think this testimony is admissible for a dozen different reasons.

I have offered—I am responsible for calling this witness here. I have not talked to him myself; I have stayed as far away from him as I could and be courteous. My purpose in offering this testimony is actuated by the motive to try and do something to relieve a situation that I think does not comport with good business and good sound morals throughout the State of Texas.

Senator Martin: I just want merely to call counsel's attention to the fact that maybe he has gotten about in the same situation that I have gotten up in my town. My wife and I speak of that quarter and that dime, but lawyers are not exactly in the same status.

Senator Small: Mr. President, when it has been shown that the man at the head of the Texas Headquarters of the Relief Commission is not the Governor; when they attempt to show that this income was from fees as a lawyer, if it is attorney's fees, it is more admissible than ever.

Senator Sanderford: Mr. Chairman, there is no evidence here whatsoever that they are not moneys received as collections, from the sales of cattle, hogs and various other things except the testimony offered by a double crosser. That is all. There is no testimony to show that whatever money, if it was any, was not perfectly legitimate money from the sales of merchandise, the sales of cattle, the sales of hogs, cream, milk and whatnot of these four corporations. These insinuations and aspersions that are left here are unfair. I want to say to this body assembled here—I say it is just a group or a faction of politicians in Texas who would sacrifice an honest administration upon their political cross of corruption. That

is the way it looks to me, and I think that he the way it looks to the people of Texas. I want to say that it is my opinion that every dollar of the money that has been handled has been handled in a legitimate way and is legitimate money.

It is true that James E. Ferguson's Forum was at one time being sent out in issues of 50,000, 80,000 and sometimes 100,000 copies in one week, which required some expense, and appeals were made to friends of an honest government in Texas to make contributions to the cause, which they did. In my opinion, these moneys are legitimate, they are honest and they are honorable. Such testimony as this has no place in this investigation, so I move that the Senate as a Committee of the Whole will vote absolutely to expunge it from the record.

Chairman Purl: The witness took the stand and was sworn, examined and cross examined. There may be some question as to whether or not the so-called "yellow sheet" ought to get into the record unsupported; but the witness read from this "yellow sheet" into the record, and the Chair will rule that his testimony will go into the record.

As far as the "yellow sheet" is concerned, it has been offered by a member of the Steering Committee and has not been objected to by any member of the Steering Committee. I believe Senator Martin withdrew his objection. The Chair is inclined to permit the Steering Committee, their testimony, especially when there is no objection from the Steering Committee.

I will rule that the testimony of the witness Chudej will go into the record and the "yellow sheet" will go in, too.

Senator Sanderford: If I am permitted, Mr. Chairman, I appeal from the ruling of the Chair.

Chairman Purl: I don't know how many it takes—is there a second to your motion?

A voice: Second the motion.

Chairman Purl: You have a second. I will ask Senator Hornsby to take the chair, then the question will resolve on whether the Chair will be sustained.

Before we put the question, I am going to ask all those who are not members of the Senate to withdraw

under the balcony in order that the Senate may decide this question, sitting as a whole.

Senator Hornsby: The question is whether or not the ruling of the Chair will be sustained. Are you ready for the question?

Voices: Question.

Senator Hornsby: Is a roll call requested?

Voices: Yes, sir.

Senator Hornsby: The secretary will call the roll.

The secretary thereupon called the roll, the members voting as follows:

Beck.—Absent.

Blackert.—Yea.

Collie.—Absent.

Cousins.—Absent.

DeBerry.—Yea.

Duggan.—Yea.

Fellbaum.—Yea.

Greer.—Yea.

Holbrook.—Yea.

Hopkins.—Absent.

Hornsby.—Yea.

Martin.—Nay.

Moore.—Yea.

Murphy.—Yea.

Neal.—Yea.

Oneal.—Yea.

Pace.—Absent.

Parr.—Nay.

Patton.—Yea.

Poage.—Yea.

Purl.—Present but not voting.

Rawlings.—Yea.

Redditt.—Absent.

Regan.—Yea.

Russek.—Absent.

Sanderford.—Nay.

Small.—Yea.

Stone.—Absent.

Woodruff.—Absent.

Woodul.—Yea.

Woodward.—Yea.

The secretary: Yeas, eighteen; nays, three; present, not voting, one; absent, nine.

Senator Hornsby: The Chair has been sustained.

Senator Woodward: Mr. Chairman, we have a witness here from San Antonio, it is now 5:20; we might start with him but I don't think we can complete the examination. Personally, I would prefer to wait until morning; we have had a pretty strenuous day, Mr. Chairman. The Steering Committee, Mr. Chairman, prefers to wait until in the morning because we have had a strenuous day as a Committee of the

Whole. I will make a motion that we recess until 9:00 o'clock in the morning.

Chairman Purl: The Senator from Coleman moves that the Senate sitting as a Committee of the Whole recess until 9:00 o'clock tomorrow morning.

The question was put and the motion prevailed.

The Committee of the Whole thereupon at 5:20 o'clock p. m., September 26, 1933, adjourned to reconvene at 9:00 o'clock a. m., September 27, 1933.

Wednesday, September 27, 1933.

The Committee of the Whole met at 9:25 a. m., pursuant to recess, whereupon the following proceedings were had:

Chairman Purl: The committee please come to order. Will the Steering Committee please come down to the table assigned for them, Senator Woodward, Senator Martin, Senator Small, Senator Rawlings and Senator Murphy.

The Chair would like to have a telegram read which was sent to him a day or two ago and lost in the shuffle.

(The following telegram was read by the Secretary):

RXHS13 70 2 EXTRA-NC Houston, Tex., Sept, 26, 1933.

George Purl,

President Pro Tem Senate, Austin, Tex.

My attention just drawn to hearing before your body as it concerns Mister J. F. Reed Stop In fairness to Mister Reed shall appreciate the following being placed a matter of record in minutes of said hearing Stop Quote Mister Reed was employed in our company for a number of years rendering very valuable services and left our company of his own volition and in good standing unquote.

Moody Seagraves By O. R. Seagraves, Vice President.

Chairman Purl: The Chair has forgotten just what bearing it has, but if there is no objection it will go in the record. Senator Sanderford sends up the following communications:

(The following telegrams were read by the Secretary):

D12 55 COLLECT 1 EXTRA XC—
Stephenville, Tex., Sept 26, 1933.
Senator Roy Sanderford,
Austin, Tex.

Relief work in Erath County is absolutely without any any political significance and all committeemen are contributing time and efforts to take care of destitute in this county administrative costs are extremely low being less than two hundred dollars per month people of county appear pleased with manner in which local committee is functioning.

Rufus Higgs, Chairman Erath County Relief Committee.

HS 122 160 NL Gatesville, Tex., Sept. 25, 1933.

Roy Sanderford, State Senate,
Austin, Tex.

I see there is some inquiry in regard to relief work in Texas I served as county chairman from organization to county relief work until July Nineteen Thirty-three Stop Our county was strictly checked but received fair treatment from Col. Westbrook Stop Relief funds were used to gravel county roads comma city streets etc county and city carried overhead expense and administration costs in Coryell County has been about two percent Stop Much good work has been done with these funds and much relief has been given needy people Stop All good citizens of Coryell County regardless of political affiliation have been highly pleased with work done and distribution made of relief funds in Coryell County Stop When new committee was appointed Col. Westbrook asked for competent comma honest comma and fairminded men to be recommended and instructed us to disregard political affiliation Stop Would be glad to appear in person and give detailed report of work in Coryell County.

Robert W. Brown, County Judge.

HS 12 1 16 NL XC Gatesville, Tex., Sept. 25, 1933.

Roy Sanderford,

State Senate, Austin, Tex.

Have read Judge Browns telegram and heartily endorse his report of relief work in Coryell County.

L. M. Stinnett, County Chairman,
Coryell County Relief Committee.

D385 237 7 Extra NL XC 1/145
Belton, Tex., Sept. 25, 1933.
Senator Roy Sanderford,
Austin, Tex.

As Chairman of Bell County Rehabilitation and Relief Committee I beg to give you the following information in the beginning I wish to state that there was no politics in the naming of the Bell County Commission there was no politics in the naming of any man to serve as a member of any of the local committees there has been no politics in the distribution of the funds there is a committee in every town and community in Bell County to see that the needy of these places be taken care of and these committees are composed of the best men in Bell County I believe Bell County can show as much constructive work as any county in Texas according to the money given the following projects were put over laying of water mains mosquito control drainage and graveling of streets and highways of the county parks cemeteries schools and church grounds beautified and no money spent for materials and yet every dollar we spent was spent in favor of the need and not the project there has been very little criticism on the part of the citizenship it has been a pleasure to serve Bell County in this capacity and I assure you that there has been no politics connected with the handling of these funds yours truly

A. E. Taylor, Chairman Bell County
Rehabilitation and Relief Committee
Belton.

Senator Sanderford: In connection with the telegram from Mr. Higgs, I want to inform you that was Mr. Rufus Higgs of Stephenville. He was an ardent supporter of Governor Sterling and the last administration and is president of the Texas Press Association. There are other; some of them might have voted for one and some the other. Mr. Taylor, chairman of the Bell County committee I understand never supported Governor Ferguson. He beat me for Mayor of Belton three years ago. There has been no politics there. It is no thanks to me but it is just that way. They are mixed committees and any of these gentlemen will be glad to come here and testify.

Chairman Purl: The following telegram was sent to Governor Witt

and I would like to have it placed in the record:

(The following telegram was read by the Secretary):

D377 45 NL XC Boston, Tex.,
Sept. 26, 1933.

Lt. Gov. Edgar Witt,
Austin, Tex.

Commissioners Court of Bowie County unalterably opposed to any act of the legislature that would impose responsibility on it for administering relief funds for Bowie County however court very much in favor of major portion of state bonds being spent on county lateral roads.

S. I. Robison, County Judge for
Commissioners Court.

Chairman Purl: The Chair thinks at this time, if we can without too much debate—yesterday the motion was made to invite Governor Sterling as well as officials of the regional chambers of commerce to come here and a day or two ago we invited an official from San Antonio. If the committee would like to set a day certain for these gentlemen—I just thought I would mention it.

Senator Woodward: I don't know how we are going to fix any time that would assure them a prompt hearing, but if they will come here tomorrow maybe we might find time to hear them. It won't hurt them to sit around as day or two.

Chairman Purl: I just wanted to know my duties, whether to invite them, for a certain time or wait a while.

Senator Woodward: During the morning we will try to see how the set-up is.

Chairman Purl: We will let it stay in obedience for the time being.

Senator Woodward: I believe Mr. Alsbury was to be before us this morning. If Mr. Alsbury will please come around—

Tex Alsbury, having been duly sworn by the Chairman to tell the truth, the whole truth and nothing but the truth testified as follows:

Senator Woodward: Your name is Tex Alsbury?

A. Yes, sir.

Q. Where do you live, Mr. Alsbury?

A. San Antonio, sir.

Q. What is your business or profession?

A. Railroading.

Q. In what capacity?

A. Engine foreman for the Southern Pacific Railroad, grievance man for the Brotherhood of Railroad Trainmen and President; however I am not connected with that at this time.

Q. How long were you connected with the railroad in that capacity?

A. Approximately fifteen years, with the brotherhood seven years, as president and grievance man for the brotherhood and engine foreman for the Southern Pacific.

Q. When did you sever your connection with them as such?

A. About June 24th, sir.

Q. Since that time what has been your business?

A. Well, on August 8th I was appointed county administrator.

Q. Who made the appointment?

A. Colonel Westbrook, sir.

Q. You were appointed as county administrator for the distribution of the relief funds under the Texas Rehabilitation and Relief Commission?

A. Yes, sir.

Q. Handling the funds that were sent to you for that purpose?

A. Yes, sir.

Q. Between June and August what were you doing?

A. Between June and August?

Q. Yes, sir.

A. Well, I wasn't doing anything. I had a bunch of cases on hand that I was preparing to turn over to my successor in office as grievance man and other little detail work, and was interested likewise in relief work.

Q. Mr. Alsbury, during the early part of the year you were prominently mentioned for the appointment of labor commissioner of this State, were you not?

A. No, sir, I refused to accept any appointment, sir.

Q. Was it tendered to you?

A. No, sir.

Q. How did you refuse?

A. Well, they solicited me to become Labor Commissioner.

Q. Who do you mean by "they"?

A. Well, a bunch of the boys of the American Federation of Labor. I supported William B. Arnold of San Antonio.

Q. You were prominently mentioned as Labor Commissioner of the State?

A. Yes, sir, the various ones, not the political connections.

Q. I believe you said you severed your connection with the railroad in June. Am I correct in that?

A. Yes, sir, in June.

Q. From June to August, when you were appointed administrator, you were out of employment?

A. Yes, sir.

Q. What was your salary with the railroad company at the time you quit?

A. Well, it varied, around two hundred dollars a month, and it varied according to the time I worked, and with the organization, when I was out on general grievance cases \$14.00 a day from the organization and a small salary as president of the Brotherhood of Trainmen.

Q. Your salary now as county administrator is \$300.00 a month?

A. Yes, sir.

Q. You are perfectly familiar with the organization of which you are the administrator?

A. Well, not in detail, no, sir.

Q. You mean there is a good deal of the set-up which you don't know anything about?

A. Well, it is such a tremendous organization and I have been in there such a short period of time that I have not had time to acquaint myself with detail matters of the organization.

Q. Don't you know who is working for the organization of which you are the head?

A. You have a number of people—

Q. Answer my question, please. Don't you know who is working?

A. Yes, sir, I know the major portion of them.

Q. You know their duties, don't you?

A. The major portion of them, yes, sir.

Q. Well, who set up this organization?

A. Well, Mr. Maverick and myself.

Q. You attended to the appointment of the different employees?

A. What do you mean, sir; I never quite got you.

Q. I mean you attended to the appointment of the employees.

A. What time? When I went in as administrator?

Q. Yes, or since that time.

A. No, I didn't attend to the detailed appointments.

Q. Who did attend to them?

A. The various heads of the departments.

Q. Who are they?

A. Mrs. Kolling, the social service welfare worker, and Mr. Arnold.

Q. Mrs. Kolling, what is her salary?

A. \$250.00 a month, sir.

Q. Does she live in San Antonio?

A. No, sir.

Q. Where is she from?

A. I think she is from Iowa; I don't know.

Q. How long has she been down there?

A. Well, she was sent down there when I took hold of the organization as administrator.

Q. Who sent her down there?

A. Sent by this office.

Q. Who else attended to the appointment of these people?

A. Mrs. Kolling and Mr. Arnold.

Q. Who is he?

A. He is the labor manager of the works.

Q. And what is his salary?

A. It is \$190.00 a month, sir. You mean when I went in or now?

Q. I am talking about now.

A. \$190.00 a month.

Q. What was it when you went in?

A. I don't remember; I think I cut him from two hundred to a hundred and ninety.

Q. Where does he live?

A. He lives in San Antonio.

Q. He is a resident of Bexar County?

A. Yes, sir.

Q. What is his business?

A. He is a printer and is secretary of the State Printers' Association or Allied Printers' Association.

Q. Who else attended to employing these people?

A. Mr. K. S. Wendler.

Q. What position does he hold?

A. He is the assistant administrator, sir.

Q. And what is his salary?

A. His salary is—you mean now?

Q. Yes.

A. Two hundred dollars a month, sir.

Q. When was it cut?

A. On the 23rd of the month, sir.

Q. This last 23rd?

A. Yes, sir.

Q. Since this investigation started?

A. No, not since this investigation. I gave these instructions to

the heads of the departments that they would have to cut the salaries of all the employees.

Q. Well, that was the 23rd of September?

A. I believe it was.

Q. How many of their salaries have you reduced since the investigation started?

A. I just reduced the heads of the departments and raised the salaries of the others according to the N. R. A.

Q. Here now; let's get the names of those fellows you reduced since this investigation started.

A. Mr. Wendler, get this out of those files please.

Q. Don't you know the names of the heads of departments?

A. Yes; I thought probably you wanted everybody whose salary had been reduced.

Q. Yes.

A. I had no right to reduce—

Q. I didn't ask what right you had; just answer the questions.

A. Mr. Wendler, Mr. Arnold, Miss Calloway.

Q. I want to get the amounts they were getting and how much you reduced them, if you can get that.

A. Yes, sir.

Q. What I want is the name of the department heads, the salary they were receiving when this investigation started, and what they have been reduced since it started.

A. Well, sir; I don't know the date this investigation started.

Q. Give us the date when the change was made then.

A. The change in the salaries?

Q. Yes, sir.

A. The 23rd of this month, sir.

Q. Give me the names of the department heads whose salaries were reduced.

A. Mr. K. S. Wendler, assistant administrator, \$25.00, from \$225.00 to \$200.00; Mr. William Arnold, from \$200.00 to \$190.00; Mrs. Calloway, from \$200.00 to \$150.00; McBeth, in charge of the commissary, from \$150.00 to \$125.00.

Q. All right.

A. I believe that is all, sir.

Q. That was the department heads whose salaries were reduced?

A. I had Mrs. Ridge reduced from \$100.00 to \$80.00 if I recall correctly.

Q. What was the reason for reducing these salaries of the department heads?

A. Well, the reason that I thought probably that they were a little excessive.

Q. Well, what about yours?

A. Mine was made by the State, appointed by the State.

Q. You couldn't reduce it?

A. I could reduce it, I suppose, by making application, but that is what they set; they allowed me that and that is what I drew; I know I wouldn't work it for anything less.

Q. You had been working for a good deal less before, hadn't you?

A. Yes, but not on this character of work.

Q. Not on this character of work?

A. No, sir.

Q. Whose salaries did you reduce besides these?

A. If I recall correctly—

Q. Did you reduce any other salaries besides these?

A. Mr. Stratton, connected with the hospital, from \$100.00 down to \$80.00.

Q. All right; whose salary did you increase?

A. Since I have been administrator, sir?

Q. Yes, sir.

A. I think I increased Stratton's.

Q. Increased whose?

A. Stratton's, from \$80.00 and I reduced him back because we were running low in the hospital and cut down on him.

Q. Whose other salaries did you increase?

A. I don't remember; I couldn't give you all of them in view of the fact that they were receiving ten dollars a week when I went in there and then I raised them all to \$14.50 a week at 30 cents an hour. I couldn't pay them less than 30 cents an hour; that was in compliance with the N. R. A.

Q. Did you sign up a code to that effect?

A. Yes, sir; I signed up a code, my code.

Q. Have you got a copy of it with you?

A. I don't know; I got it from Mr. Lucas.

Q. What code did you sign up?

A. Mr. Westbrook sent me a copy of it and he has a copy of it stating the salaries.

Q. What industry does it refer to?

A. Relief organizations.

Q. Relief work?

A. Yes, sir.

Q. Have they got a code under the N. R. A.?

A. Not a code.

Q. You said a code.

A. I complied with his instructions with it, wrote my application to Mr. Lucas, postmaster, and received a blue eagle.

Q. You increased these from ten to \$14.50?

A. Yes, sir.

Q. How many did you increase?

A. I don't know; I told them to put them all on this basis, the work relief.

Q. How many were included in that?

A. Well, that welfare department has got a good many employees.

Q. Well, how many?

A. I think about 190; I am not quite sure.

Q. How many altogether are working in the department of which you are the head in Bexar County?

A. Well now, the regular staff is about twenty.

Q. I didn't ask you about the regular staff; I asked you how many were employed, how many on the payroll down there.

A. Well, about 220 now, I think.

Q. Don't you know how many?

A. No, because they vary so. We set up the process of a general reorganization, decentralization and setting up nine substations.

Q. Can you tell me how many were on the payroll on the 1st day of September of this year or the second or the fourth or any day in September before the tenth?

A. I think so.

Q. Have you got a list of those that were on the payroll on September 1st?

A. Yes, sir; it ought to be here.

Q. How many were there?

A. I will have to stop and count them up, sir. Would you like to have them counted, sir?

Q. Yes, sir; that is the only way I know how to get that information. The number of employees together with their names and salaries they were receiving according to that report you are examining.

A. This is the week of September 1st to 8th.

Q. I want the names of them, the salaries and how many there were.

A. What would that mean, all the persons on the rolls, relief persons also?

Q. Persons getting pay for services. Regular employees and those on relief work who are doing administrative work. I am not talking about the fellow that comes up there and gets a requisition for groceries and doesn't do any work at all.

Chairman Purl: The Committee of the Whole will stand at ease, subject to the call of the Chair.

The Committee of the Whole Senate thereupon went into the Senate at 10:00 o'clock a. m. until 11:10 a. m. whereupon the Committee of the Whole reconvened and the following proceedings were had:

Chairman Purl: The Committee of the Whole Senate come to order.

Tex Alsbury (continuing on the stand).

Senator Woodward: I believe when we recessed a while ago I had asked you to get for us some information, that is the number of persons and their names who were on the payroll who were doing administrative work as reflected by your reports of September 1st to September 8th. Have you got that information?

A. Yes, sir.

Q. All right, I wish you would just read now the names of the employees and the salaries they were then receiving or the amount of money they were then receiving.

A. Miss Anne Wilkins, \$80.00; W. T. Moore, \$80.00; Henry Patterson, you want the title, sir?

Q. It would save time if you would.

A. Anne Wilkins is a branch office supervisor; W. T. Moore, likewise; Henry Patterson, \$100.00, chief clerk Welfare Department; Miss Ruth Kolling, \$250.00, special welfare consultant; E. S. Stone, \$80.00, payroll clerk; Florence Ridge, chief clerk Executive Department, \$100.00; J. W. Hall, \$100.00; L. P. Bishop, \$175.00, secretary to administrator; Ed Knight, investigator, \$80.00; T. R. Kuykendahl, \$100.00, clerk; Tex Alsbury, administrator, \$300.00; W. B. Arnold, manager Work Department, \$200.00; H. R. Moore, assistant, \$100.00; Mrs. Lois Powers, \$80.00, secretary; E. P. Rochester, chief clerk Work Department, \$95.00; Otto Biles, field

man, \$80.00; Ralph Giraud, \$80.00, manager Mexican affairs office; K. S. Wendler, \$225.00, assistant administrator; Kinney Graves, auditor, \$175.00; Mrs. C. K. Callaway, \$200.00, superintendent Welfare Department; Mrs. Kate Smiser, \$80.00, manager Central Index; Dr. J. W. Fennell, \$100.00, medical examiner; Edna Phillips, secretary to Miss Kolling, \$80.00, Welfare Department; Mrs. Hazel Ball, assistant secretary Executive Department, \$80.00; totaling \$3,020.00.

Q. How many does that include?

A. Twenty-four.

Q. You have named these twenty-four and the salaries they received as all of the persons who were then employed doing administrative work?

A. As far as I know, yes, sir.

Q. Now then, other people that were employed, what were they doing?

A. You mean work relief people, sir?

Q. Any kind of work they were doing that were employed.

A. Those are not classed as administrative employees.

Q. Well, how many have you got that are not classed as administrative employees?

A. On the first of September, sir?

Q. Yes, sir.

A. Six hundred and sixty-four employees.

Q. Six hundred and sixty-four?

A. Employed on work relief.

Q. And what was the total compensation?

A. \$6,664.71, ranging from \$2.59 to \$18.00.

Q. Those were people you carried on your books as what?

A. Well, just whatever was recommended by the Welfare Department, you understand.

Q. You did not report that as a part of the administrative expense?

A. No, I just got that—

Q. Just answer that; you did not report that as a part of the administrative expense?

A. It is not considered administrative expense.

Q. I did not ask that; I think it is. You did not report it as a part of the administrative expense, did you?

A. Let me explain that better.

Q. Answer my question and then you can explain. You did not report that as a part of the administrative expense, did you?

A. For the month of August?

Q. I don't know when it was.

A. Well, was it for the month of August?

Q. You didn't report that for the month of August?

A. Not officially to my knowledge.

Q. What did you report as administrative expense for August?

A. The audit was not completed up until I received your wire from the honorable body and it was completed Tuesday afternoon by the auditing company and until yet I have not seen the audit but I have the auditor here with his audit complete if you want the information.

Q. Who is the auditor?

A. Mr. W. T. Chumney of the firm of Canario and Chumney.

Q. Has he the report of the administrative expense for the month of August?

A. Yes, sir.

Q. In this report that is filed by Mr. Westbrook—I don't know what period it covers, I don't remember the period that it covers—it shows the total amount of salaries per month in Bexar County, whenever it was, of \$18,075.18; was that correct?

A. No, sir, not correct as salaries. Everybody receiving salaries in the list of work relief, I suppose now; I don't know, I wouldn't say definitely until I see that audit; that will show and the month that says, that's it.

Q. This is an audit I am talking to you about. This is the sworn report of Mr. Westbrook I am examining you from. Is it correct or not?

A. No, sir.

Q. What is wrong with it?

A. In view of the fact that that report was sent over here by the auditor of the organization, you understand I have not had time to familiarize myself with everything with this organization and when I went in there the accountant—I am not an accountant, I don't know anything about it but the gentleman that brought the report down to me is an accountant and he says, "This

is the report and we got to get it in to Austin right away" and he asked me to send it and I said, "Is that correct"? and he said, "To the best of my knowledge" and it was signed and sent over here by me. I told him I wanted an audit of the books as soon as possible signed by the auditor, and then he turned around and resigned after it was sent over here.

Q. Who was he?

A. His name was Graves.

Q. What did he resign about?

A. I don't know, sir.

Q. Was there some disturbance about the office about his records?

A. No; when I went in there I told him I wanted everything open and above-board. I wanted these reports laid out on the table where everybody could see them and it wasn't done I don't believe; he didn't understand, he is not an auditor.

Q. In other words it was just a bum piece of work he did?

A. I think that is it.

Q. The report that you sent, where is it?

A. I don't know; it was sent over here taken from that.

Q. Have you a copy?

A. I think so.

Q. Where is that copy?

A. In San Antonio.

Q. Has that copy been destroyed?

A. Not that I know, sir.

Q. Have you heard that it was destroyed?

A. I haven't heard, sir.

Q. You haven't heard anything about that copy being destroyed?

A. No, sir.

Q. Have you got it with you?

A. No, sir.

Q. Where is it?

A. In San Antonio.

Q. Can you get it?

A. I don't know, sir.

Q. Will you try?

A. I will try and see if we can't get hold of that. This office ought to have the copy.

Q. I am not arguing with you about it. I want the one you got, I want to see it. Why didn't you bring it over with you?

A. I thought everything was brought in those files.

Q. Could you have somebody phone over there and see if we cannot get that report?

A. I guess I can send after it.

Q. Didn't you know we were going to ask you about the reports?

A. I relied on the audit, not on the report; it was not a correct report. We have the audit, it is here and the auditor.

Q. What we want also is the original audit you made.

A. I haven't made an audit myself, just reports, written reports; there wasn't any audit made by me.

Q. The audit made by Graves?

A. Just a report, kind of a report, kind of a letter, information letter to this office.

Q. You sent the original over here, didn't you?

A. As well as I recollect, yes, sir.

Q. I would like to ask Mr. Westbrook if that is available?

Mr. Westbrook: Yes, sir; we will send over for it.

Q. What was wrong with that report; you said you discovered it was wrong?

A. I didn't mean it that way. According to my auditor's report there was wrong figures in his audit; he didn't have it applied properly.

Q. In other words when you examined the report that was made that you sent over here and got another auditor, he discovered that that was a wrong report?

A. No, sir, I never got another auditor; this is the same firm that has been auditing these books since away back the first part of the year.

Q. I mean you got somebody other than Mr. Graves.

A. Yes, sir.

Q. He discovered that report was wrong?

A. Yes, sir.

Q. This here, this is filed instead of Mr. Graves'?

A. Yes, sir.

Q. How much was your administrative expense during August?

A. Well, to give the exact figures I would rather for you to quote him on it.

Q. You are the witness. Can you give it approximately?

A. Approximately four thousand some odd dollars.

Q. That is all you report as the administrative expense?

A. Yes, sir, that is the auditor's report, sir.

Q. You mean four thousand some odd dollars a month?

A. Yes, sir.

Q. Well, would you mind letting me have this report then, this new report that was made by whom?

A. Mr. Chumney.

Q. When was this audit made?

A. You completed the audit day before yesterday, did you not? Day before yesterday.

Q. When was it started?

A. He started working on it right after the first of the month, about the 8th of the month.

Q. Did you start working on this one before or after you got notice to come over here?

A. No, sir, it was way before.

Q. Well, the auditor who made this report, this audit, had this report before him, the report that you sent over to Mr. Westbrook, didn't he?

A. He had all the books.

Q. You don't know why he didn't bring that one over here then?

A. What is that?

Q. The first report, the original.

A. I presume he has got all the reports, I don't know.

Q. You don't know why he didn't bring it over here?

A. I don't know, no, sir.

Q. This man Graves you are talking about, he was an employee over there, wasn't he?

A. Yes, sir.

Q. And what was his title?

A. Auditor.

Q. Well, who employed him?

A. I think that we employed him in April.

Q. Who is "we"?

A. The old committee.

Q. Who was the old committee?

A. Well Mauray Maverick, myself, Mr. Ochs and Oscar Powell.

Q. You employed him as an auditor, didn't you?

A. Yes, sir.

Q. And then when he made this audit showing the expense to be eighteen thousand dollars a month you discovered that he was inefficient?

A. No, no; that wasn't it at all, sir.

Q. What was it?

A. I don't know; the man resigned on his own volition.

Q. Didn't you intend to discharge him?

A. No.

Q. Before he resigned?

A. No, sir.

Q. Nothing had been said about it?

A. No, sir.

Q. He just quit?

A. He just quit.

Q. And when was it you discovered his audit was wrong with reference to the time he quit?

A. Well, when the auditor told me that his report was erroneous.

Q. He reported entirely too much administrative expense down there?

A. I don't know; his reports were not in keeping with the regular procedure of auditing.

Senator Woodward: Just a minute. Let me examine this report here. Mr. Westbrook, you sent for the first report, did you?

Mr. Westbrook: Yes, sir.

Senator Woodward: • Mr. Chairman, this is going to take us a little time to examine this audit that we have just now gotten and the audit we have called for and we can save time by recessing this committee until two o'clock and give us this time, otherwise we will be examining this as well be examining the witness. I move we recess until two o'clock.

There is a witness from Galveston who wants to go back and Senator Holbrook will conduct the examination. I withdraw my motion, if they want to put Dr. Gibson on now they can do it.

Chairman Purl: You want this witness to temporarily retire until two o'clock. If there is no objection you will please retire until two o'clock and hold yourself in readiness until two o'clock.

Edmund H. Gibson, having been duly sworn by the chairman to tell the truth, the whole truth and nothing but the truth, testified as follows:

Senator Holbrook: Your name is Edmund H. Gibson?

A. Yes, sir.

Q. Where do you live?

A. Galveston.

Q. What is your business or occupation?

A. The rector of Trinity Episcopal Church.

Q. How long have you lived in Galveston?

A. Five years.

Q. My purpose in having you come up here was to go over with

this committee in detail the work done by you and the committee set-up in Galveston County from October and August 6th, until the time the committee resigned and another committee took its place. State if you please what your committee did and how it was formed and give in detail the receipts and disbursements.

A. The committee was formed last October under the suggestion of the East Texas Chamber of Commerce. The committee was formed of five gentlemen who were called together by the mayor of the city because he had received communications from the East Texas Chamber of Commerce; and the men that he called together were Judge Holman, County Judge, Mr. Boedeker, County Commissioner, who had had considerable experience in charity work over the county and also with an organization known as the Catholic Charities; Mr. W. A. Johnson, prominent citizen in Galveston and who had taken active participation in the previous committee, myself I presume because I was known in Galveston as being much interested in charity work; I had done considerable of it and I was affiliated with a majority of the charitable institutions; and the fifth member was the mayor himself. That committee constituted itself as the Galveston County Emergency Relief Committee, so quoted by the East Texas Chamber of Commerce, through whom the first few months R. F. C. funds were received. That committee was later recognized by the Texas Relief Commission. I was the local chairman or so recognized by the Texas Relief Commission.

This committee, during the time it began in March and continued to function until August 6th, which was the date upon which the last audit was made, at no time was influenced or participated in politics and so far as I know I never heard of a political faction coming into the relief picture during these months from November 18th, the date the first check was received from the R. F. C. until the time the committee passed on the 6th of August, there was received two hundred and two thousand and some odd dollars; there was expended during that period, one hundred and seventy-three thousand dollars. The balance was turned over

to the new county administrator who went into office on August 6th. Of course I possess the receipts for the balance turned over to him.

There has been raised the question and I think it has been stated here in this body that the audits made by the Galveston County, the reports of which were sent up to the office of the Texas Relief Commission month to month, give the total of the administrative expense according to these audits as approximately one per cent. There was also the statement made here—so I read by the newspaper and have been told in person—that the director of relief in the Texas Relief Commission, Col. Lawrence Westbrook, from the report of his auditor, that is the auditor of his office, after this committee went out of the picture and the books were turned over to the new county administrator and the new committee, stated that the administrative expenses during the time from November 18th to August 6th amounted to ten per cent plus I believe and the question has been raised which is right or can the two be reconciled.

During the time that this old committee, of which I was a member, held office taking charge of the funds, we met from time to time and the committee as a whole decided on this procedure, that the administrative expenses, that is our interpretation of administrative expenses, they were the salaries paid as agreed upon to an individual working strictly in the administrative functions, a month to month continued process, a stated, fixed salary, so much per month, and miscellaneous office expenses. That was our interpretation and that was what we went on during the entire time the committee had charge of the relief work in Galveston.

Q. In other words these salaries and expenses constituted as your committee considered and treated them what is termed "administrative expenses?"

A. Yes, sir, and that comprises salaries and miscellaneous expenses totaling a little over one per cent of the entire amount of money expended during that time.

Q. Where did the rest of that money go outside of that one per cent?

A. It was used entirely for direct relief and work relief. The difference between our claimed administrative expense of one per cent or a fraction over and the statement of the auditor representing the Texas Relief Commission of ten per cent plus is the difference in interpretation of what is work relief and what is administrative expense.

Q. In other words you have to include money which you paid out to people for work relief?

A. Yes, sir, the interpretation of it.

Q. Have you got a complete statement of every penny received by you showing in detail to whom it went and for what purpose?

A. All of those receipts, papers, etc., were receipted for by the representative of the Texas Relief Commission when I passed out of office, Mr. Davis, representing Mr. Westbrook and his office, and are now in the custody of the present county administrator, Mr. Tullis, and I have an itemized receipt. I have in my possession a copy of all the monthly audits made under our administration and also a copy of the final audit by the representative of the Texas Relief Commission and the only item showing any difference at all is the item regarding this administrative cost, which is based upon the interpretation of what constitutes administrative expenses.

During the time this committee was conducting the relief work at no time did we file any letter or any order coming from the Texas Relief Commission, either written or verbal. It at any time they sent out a statement or decision of administrative items, what constitutes administration, we did not receive such a copy, therefore it was always left to our committee's discretion and determination to determine what were administrative expenses.

Q. During the whole time of your tenure as administrator of relief work in Galveston, which was unanimously agreed to and endorsed by the charitable organizations there, did you ever hear of any criticism by the Texas Rehabilitation and Relief Commission of the manner in which you were conducting it?

A. Not that I heard.

Q. It never came to you?

A. No.

Q. Didn't they commend you?

A. On every hand.

Q. Did they ever indicate it was done in an irregular or unsatisfactory way?

A. No one ever intimated it.

Q. Have you known of any political factions as testified to by the Director of the Relief Commission, political factions which were disturbing elements there?

A. Never heard of political factions entering into the relief picture while I was in office or on the board.

Q. Who appointed you; how were you appointed?

A. We were recognized by the East Texas Chamber of Commerce.

Q. Who appointed you as manager?

A. It was acting in behalf of the then Governor Sterling.

Q. Who appointed you?

A. The five who came together agreed on what was done, the county judge, Commissioner Boedeker, the mayor of the town, Mr. Johnson and myself; the five who came together appointed me as the person to be appointed and do the active work in it.

Q. Dr. Gibson, have you met the employees that came to Galveston from the outside who are now engaged in the carrying on of the relief work down there, and offered to assist them?

A. I told Mr. Tullis, the present county administrator, when he first came there, the first or second day, that I would be very glad and I was sure the whole committee would be glad to cooperate in every way any time when it was so asked.

Q. Have you ever met the lady who is case worker?

A. Yes.

Q. Who is she?

A. Miss Lynch.

Q. Where does she come from, Wisconsin?

A. Somewhere from the central North.

Q. What did she say to you about her qualifications when she first arrived?

A. Mr. Tullis brought her to my office to introduce her to me. In the course of the conversation I asked her various questions regarding what she was coming for, the plan of her work, and she told me she was to be in charge of the case workers and I inquired about her ex-

perience and she said she had had no previous experience as a case worker, been doing social service work in other positions but not as a case worker.

Senator Martin: Who composes the board down there at this time?

A. Father Chataignon, the rector of one of the Roman Catholic churches I believe is chairman; Mr. Shearn Moody, one of the Kempners, George Sealy and Mr. Orth, who lives in Texas City.

Q. Have you heard any complaints against the Catholic priest serving there as chairman?

A. No, sir.

Q. Have you heard any complaints against Mr. Sealy?

A. No, sir.

Q. You mentioned Mr. Moody; have you heard any complaints against him?

A. I have heard no complaint about any member of that board.

Q. That board began to function immediately after your committee went out?

A. Yes, sir.

Q. Now you were speaking about the administrative expenses. How did you distribute the money you actually received; how did you get it to the individuals who actually got the benefit of it?

A. About two-thirds went to work relief, labor wages, and one-third, approximately, to direct relief, exclusive of the administrative costs.

Q. The direct relief; how did that come to the parties who received the money?

A. The people to whom we were distributing direct relief, that is groceries and so on, whatever they thought they needed at that time, applied at the office of the Family Welfare Bureau.

Q. Was that a part of your organization?

A. It was a committee made up of the Catholic Charities, Jewish Charities, and the United Charities. The three came together. In the past year they have been doing the social welfare work under the Community Chest. The Community Chest assigned \$25,000.00 a year for the Family Welfare Bureau but the Community Chest didn't go over the top so they haven't received that much. We used their forces and their personnel in distributing direct relief to those who appealed.

Q. Did you pay office rent?

A. Paid no office rent to anybody.

Q. Did any part of this money go to pay any part of the salaries of that department?

A. Some assistants, but we considered that on work relief basis.

Q. Was it accounted for as administrative expense when you made your report?

A. As work relief; all people who were employed on an hourly basis which had a temporary schedule were considered work relief.

Q. You did not report that then as the last auditor reported it as administrative expense?

A. No, sir; I reported that as direct work relief and he reported it as administrative expense. We considered anybody working on a temporary basis, day to day or week to week, on an hourly basis was work relief.

Q. If the Government has directed that that kind of expense should be called administrative expense, would you have any objection?

A. No, sir.

Q. Even if the Government did not make that requirement that it be called administrative expense, it would be a matter left to the discretion of a skilled and trained auditor to say whether or not it should be called administrative expense, would it not?

A. I would rather answer that question by saying it seems to me it would be a more equitable arrangement if an understanding had been had between the Texas Relief Commission and the local board handling the funds as to the definition of administrative expense.

Q. Did you make any inquiry of what should be listed as administrative expense?

A. We never received out of the Texas Relief Commission office any report regarding that.

Q. Is that where the difference in your account of the administrative expense appears, that is, you did not take this work relief into consideration in making up your administrative expenses, you did not take that into consideration and the auditor did and that is what brings about the difference?

A. Yes, sir. The illustration you are using as administrative expense, a person would be charged to administrative expense, as I understand

it, according to this report, who is foreman of pick and shovel jobs out in the field.

Q. Well, he was doing administrative work, wasn't he?

A. He was picked out of the gang to be the foreman and we did not consider that as administrative expense, that was work relief paid on an hourly basis every week.

Q. If the present administration that is directing the relief work being done in the State of Texas today, in making their report here, term all such expenses as administrative expenses, then in order to make a just comparison don't you think that that should be considered in the same way in your report?

A. If the Federal or Texas Relief Commission designates that that shall be considered administrative expense, there is no question about it; of course it is.

Q. You have written a letter to this committee in which you tell the committee what the administrative expenses were, didn't you, when you were in charge? That is right, isn't it?

A. I don't recall having done that, but they have our monthly audit reports which will show just exactly. Had I not written that, which I don't remember that I did, but had I not written it and I did probably, the sum total of these monthly audits would show it.

Q. What we are getting at is this: If Colonel Westbrook in his report takes into consideration these items which you did not consider as administrative expense and gives it in his report as administrative expense, it would not be right to say to the former organization that you did not have to so consider such in your report, we will cut that off and call that something else and will cut down your expenses here to one per cent; that wouldn't be right, would it?

A. No, sir.

Q. You did not ask before you wrote that letter what they taking into consideration as administrative expenses, did you?

A. I do not recall having received any advices from the Texas Relief Commission as to what they considered administrative expense.

Q. Before you wrote the letter you did not make any inquiry about it at all?

A. I came up three or four times since we were conducting this work, came up to the office and had several talks with Mr. Westbrook and Mr. Davis on various things. I don't recall at the present time what we talked about.

Q. Since the committee was relieved?

A. No, before. I have had no communication since the committee has been relieved.

Senator Holbrook: Doctor Gibson, if Colonel Westbrook has put fire in this and after this investigation started about a week ago, if Colonel Westbrook sent out an S-O-S to all of his force in Texas with instructions to not include this relief work as administrative costs, could you understand why he should want to reach back and want you to include it in yours now, if that is a fact?

A. I don't understand why he wants that, why he has done it anyway.

Q. That answers the question.

A. When the committee started to function under his office had he told us and dictated what administrative expenses were we would have been very happy to work accordingly and would have attempted to work relief that way.

Senator Murphy: Dr. Gibson, from your experience as a social welfare worker and from your observation of the way that the present organization in Galveston County is distributing these relief funds, have you any suggestions that you could make to us as to any manner in which we could more efficiently administer these funds than they are now being administered?

A. I have particular notions in my mind because of my past experience but I cannot offer them explicitly at the present because since I went out of the picture I have tried to keep away from snooping into Mr. Tullis' business and tried to give him a fair chance of working things out without interference. I have been an observer since I went out of office. Of course I have my own ideas if anybody would like to know them.

Q. Give them just briefly.

A. I think the committee feels some resentment in having outside people come in to direct the charity work that they are able to handle because they have been there longer

and know the situation. I certainly think it would be possible to get together a group of well representative citizens and out of the body pick one or two to conduct the relief work themselves. I do not set the necessity of an outside administrator—however that is a matter of judgment between—that we differ on.

Q. Mr. Gibson, do you regard it as essential that these case workers should have had previous experience or education in social relief work?

A. Not to any great extent because we attempted to train up some of our own people to do that work and in a comparatively short time they became fairly efficient in their case work. I presume you have in mind what I said about Miss Lynch.

Q. No, I am not referring to her, to the case workers.

A. The only difference there she was to be supervisor of all of the case workers and the supervisor of all the case workers should have some experience.

Q. No; I was talking about the case workers generally. I want to ask you one or two practical questions. The Legislature is confronted with the problem of distributing some relief funds which the voters of Texas have authorized, that is the issuance of the bonds. If you have any suggestions to make this body as to a practical manner to handle these funds without loading it down with overhead costs, we would like to hear them. Do you think if we authorize the bonds that your county and your citizens can administer these funds to the needy without a great amount of overhead expenses being taken out of those funds?

A. Yes, sir.

Q. The report filed by Colonel Westbrook with us covering the month of August shows \$2,183.00 spent for clerks, stenographers, bookkeepers, administrators, etc., covering nothing but the clerical and administrative force as I understand it. Do you think that Galveston County could take its share of the funds, whatever might be allotted to it by this bond issue and administer to the relief of the needy down there without incurring that much expense per month?

A. I think so. I would like to call attention to the fact that the

item of clerical expense put under administrative expense by his audit, which we considered work relief, was not in every case essential. It was white-collared people we were giving relief to who were without employment and Mr. McMillan, the southwestern supervisor of the R. F. C. at Washington approved that method of giving relief; and many of the investigators and case workers and some of the office force were taken on permanently because it was work relief to give us work in return for the relief we gave them.

Q. In other words, you killed two birds with one stone?

A. Yes, sir.

Q. In other words for some of this detail work you hired someone who was out of employment who would otherwise have been entitled to relief without work?

A. Yes, sir.

Q. Do you subscribe to the policy that the citizens share or furnish the administrative cost in order to distribute the funds without any expense?

A. I think in Galveston it could be done.

Q. How long have you lived in Texas?

A. Five years.

Q. You are familiar with Texas conditions?

A. I would think in the majority of counties it could be done, but I think you have still got to have some central organization to oversee things.

Q. That has been generally recommended, a central office to supervise the funds. Do you think practically the other counties of the State could furnish the administrative workers and do the actual work of distributing funds to those who actually need it without this vast amount of administrative expense which it is costing under the present plan?

A. I certainly would think so.

Q. Could you suggest any agency that we might refer to in the field that would be more or less uniform throughout the State?

A. I do not think we have any one agency that would be the same in every county.

Q. Suppose the Legislature would say to Galveston County we will give you \$150,000.00 in the month

of October to be distributed to the needy without expense if it could be furnished without expense, could you furnish the machinery to give it away?

A. I am sure we could.

Q. Would it be wasted or go to the parties that needed relief?

A. In social welfare work you will always slip up on unworthy cases but in the overwhelming majority of cases the money could be applied to the greatest relief of the greatest amount of sufferers.

Q. Don't you think as a policy that the people of Texas, through patriotism and loyalty, ought to sacrifice something and administer the funds without charge to the State, if the Legislature sets up appropriate machinery to raise this \$20,000,000 from a bond issue?

A. I think the American people of the United States would be glad of the opportunity.

Q. Don't you think that could be done with this great fund that we are now called upon to distribute among the distressed in Texas?

A. Personally, I do.

Senator Rawlings: I believe that is all.

Senator Collie: Mr. President.

Chairman Purl: Senator Neal wants to ask a question; then I will recognize Senator Hornsby and then you, Senator Collie.

Senator Neal: I would like to ask the witness if the members of the committee received a salary to disburse this fund during the life of the organization.

A. Not one cent. On the contrary, we took money out of our own pockets to come up here on two or three trips to consult with Colonel Westbrook and others in his office.

Q. May I ask whether or not, if you know, any member of the present committee is receiving a salary for disbursing the funds?

A. Only I have been told by the county administrator himself that he is receiving a salary for his position.

Q. You were county administrator during your regime, were you?

A. I was chairman of the Galveston County Relief Committee.

Q. That is the equivalent.

A. That is the equivalent, yes.

Q. You drew no salary?

A. No.

Q. But the present administrator has a salary?

A. That is true.

Q. I want to ask whether or not Mr. Herbert Harrison, manager of the East Texas Chamber of Commerce, told you at the time you took over this work what should be charged as administration costs?

A. No, ma'am.

Q. It was left to your judgment?

A. Left to the judgment of the local committee as—

Q. As to what was to be charged?

A. Yes.

Q. I also want to ask you, since it has been charged on numerous occasions that politics has entered largely into the disbursement of these funds with the present organization set-up, if you think this \$20,000,000 bond issue should be removed from politics entirely in disbursing the funds which you get from this bond issue?

A. I don't see that politics should ever have a place in charity or relief work.

Q. Well, now, the question has been raised that probably the commissioners' courts of the State would probably be able to disburse these funds better than other organizations. The commissioners' courts are creatures of politics. I would like to have your honest opinion as to whether or not you think these funds should be disbursed by the commissioners' court or any other political organization in the counties, or should that be disbursed through charitable organizations such as you have mentioned here, composing this—what was that, Home—

A. Family Welfare Bureau.

Q. Home Family Welfare Bureau in your county. I would like to know just what your judgment would be.

A. I don't believe it would be the wisest thing to have your county commissioners' courts to be responsible for giving or disseminating relief work. I think the best method would be a local committee in each county composed of recognized reputable outstanding citizens who would volunteer their time.

Q. Do you feel that you could get reputable citizens to volunteer for this service who would do the work efficiently?

A. Yes.

Q. Now, we have all heard the remark charity should begin at home. Do you feel that without some salaries this money could be expended judiciously?

A. There would have to be some local administrative expense. For instance, if you have a board like we did you would have to have an office man, a desk man.

Q. He is on the job all the time?

A. He is on the job all the time and he would have to have an assistant, perhaps, depending upon the size of the county, which would increase your administrative cost.

Q. You had a specific job during your term and the other members of the committee had specific jobs. You can't be on the job all the time yourself?

A. I was simply director over there and I was responsible for everything.

Q. And you think there should be—

A. You would have some local administrative expense.

Senator Neal: Thank you.

Chairman Purl: Senator Hornsby wants to ask a question. Were you through with your answer, sir? I didn't mean to interrupt you, Doctor.

A. Yes.

Chairman Purl: Senator Hornsby here on your left wants to ask you some questions.

Senator Hornsby: Doctor, with your knowledge of the citizenship of Galveston, I want you to just state to this committee what justification, what excuse is there for bringing a fellow down there from up north some place and putting him in charge of the Galveston County relief work?

A. In my mind, there is no justification, but that is a matter that was determined by the Texas Relief Commission, which feels that the policy of sending an outside man, I understand that twenty of the largest counties of Texas—it was felt that was the appropriate policy to carry on relief. That is a difference of opinion between what they consider is the best policy and what I consider to be the best policy.

Q. What justification or excuse is there for bringing an assistant

down here from Minnesota, getting a big salary, to direct this relief work in Galveston?

A. In my mind there is no excuse.

Senator Hornsby: No excuse. That is my opinion.

Chairman Purl: Senator Collie.

Senator Collie: Doctor, did you have any of the folks down there examined by the doctor so you could send them out on work, to see if they could work?

A. We just used our own judgment.

Q. What kind of a public work program did you have down there where you employed these people?

A. I have a list here that was given to Colonel Westbrook's auditor. Landscaping immigration, Federal immigration, grading, city incinerator dump, city incinerator, landscaping hospital, Texas Hospital, landscaping psychopathic, that is, labor; cleaning ditches, repairing water lines, landscaping constructing concrete dam, moving two fountains, landscaping parks, esplanades, county roads, ditches, cleaning cemeteries, etc.

Q. That is more or less constructive work, most of it was constructive work and everybody that you sent out realized they were doing something constructive?

A. Most of that was pick and shovel work.

Q. Did you have your book audited?

A. Every month.

Q. Did you pay for that?

A. Yes, sir.

Q. How did you classify that; did you classify it as administrative cost of relief?

A. Yes, sir, that is administrative cost, which we recognized. I have a schedule of the administrative items if you care for them.

Senator Collie: I believe that is all.

Senator Rawlings: What was your average administrative cost per month, just approximately, Doctor? That was probably asked but I didn't get it.

A. I have it by months. The administrative cost, according to our interpretation for the months November to February, inclusive, \$100.42; March, \$322.40; April, \$339.00.

Q. Is that per month?

A. Yes. May, \$367.19; June, \$475.00; July, \$420.88. Total \$2,086.47.

Q. How many months does that cover?

A. Eight and one-half.

Q. That is less than \$200.00 a month, a little over \$200.00 a month?

A. I think it is just about that.

Q. About two and a quarter a month?

A. I have got the total dollars, I haven't the average.

Senator Rawlings: That is all.

Chairman Purl: The Senator from Harris.

Senator Woodul: Doctor, it seems to be entirely a matter of opinion in determining what should be administration expenses, isn't it?

A. Yes, sir.

Q. Now, you would have to have that work done, in putting out this money, wouldn't you, whether you took somebody off the relief rolls or whether you hired somebody outside?

A. Yes, sir.

Q. Therefore, would not whatever was essential to be expended in distributing that money to the needy be considered administrative expense regardless of whether someone on the relief rolls did it or whether an auditor did it? In other words, strictly speaking, it is an administrative expense in that it is necessary for the distribution of that money?

A. In a business organization I would answer yes, but in this relief work I answer no because I have always understood that our big job was to relieve the people and give them work, and that work relief took precedence over other consideration in our minds.

Q. In auditing for a business institution, any of that work which was essential to the distribution of the product which you have, which in your case was the funds, would be strictly speaking, administrative expense, wouldn't it?

A. Yes.

Q. Now, then, under the definition of relief work as the Federal Government has put it out, I haven't seen it, but I heard Mr. Williams, relief work is supposed to be some kind of work that would not have

been otherwise done, but was made work for the purpose of using and distributing this money. In other words, they did not want to take this money and give it to a man on a job where he would have gotten it anyway. Under that definition, any expense in handling those funds, that would be an administration expense, wouldn't it?

A. Yes, sir, but I call your attention to the fact that there are men—they are men not employed that are given work relief, are unemployed at the present. It was not direct relief, it was work relief.

Q. Now, that is administrative expense whether the City of Fort Worth pays it or whether the Federal Government pays it or whether a philanthropist pays it, it is an item of expense, isn't it?

A. Clerical work, yes. The money goes out, doesn't it, whether you shift it from one taxpayer to another—whether it is paid by the local county or paid out of the State funds or whether we people are going to pay it to the Federal Government in the way of taxes; whether the County of Harris has to stand that expense or someone else, it is still an expense, that is correct, isn't it?

A. Yes, sir.

Q. Have you been long engaged in social welfare work?

A. I have been very much interested in it and have taken an active part in it for ten years.

Q. I will say that I had a lot to do with the first organization of the Community Chest in Houston up until I got into politics and I had a great deal of contact with the kind of work. Has it been your experience in this line of work that a thorough investigation should be made of each case?

A. There is no question about it.

Q. In other words, if you didn't do it, you might do that fellow who is getting this help more harm than benefit?

A. Certainly.

Q. That is, just pay out the money without making any investigation, you may do that party irreparable damage, and his morale, and whole general situation?

A. Yes, sir.

Q. That has been the experience

of everybody that has had anything to do with it, hasn't it?

A. Yes, sir.

Q. So just because the county commissioners might know a lot of people in the smaller counties there would be no reason why they should pass out a dole to them without some investigation and run down through the various sources, themselves, and through other people, checking up to see whether the party needed relief?

A. I made the statement there would, of necessity, have to be some expense in administering any considerable relief fund.

Q. I am bringing that out to show that this work we are doing in Harris County is not foolishness, as Andy would say. In our community and county with 300,000 people, it is not likely you can tell whether a man that you meet on the street is wealthy and doesn't need any help, or whether he does need it without making an investigation, is there?

A. No, not in large communities like Harris County.

Q. That is more likely to be the case in smaller counties?

A. In smaller counties the county commissioners and county judge know pretty near everybody in the county.

Q. That would not work in Harris County?

A. It would not work in Harris County; it depends upon the size of the county.

Chairman Purl: The Senator from Bexar.

Senator Fellbaum: I just want to ask one question. I just want to ask about this work relief. How much per day do you pay the person handling work relief, in dollars and cents?

A. In Galveston we pay thirty cents an hour for pick and shovel men and forty cents an hour for overseers or foremen, eight hours per day. That is, before the N. R. A. We paid thirty cents an hour for eight hours a day.

Q. How long did those men and women ordinarily work?

A. Five days a week.

Q. How much?

A. Five days, that is, a five-day week.

Q. Five days a week. Would they work five days out of the week?

A. Some people, we continued to keep them on; in some cases it is necessary to give them four days per week for three or four months; in some cases every day; exceptional cases, you might find it necessary to give some families five days a week, four weeks a month and twelve months in the year, that might be a proper thing. We tried to judge the cases on their merits.

Chairman Purl: Senator DeBerry, do you want to ask a question?

Senator DeBerry: Yes. I understand you to testify that the main difference between your estimate as to administrative expense and the estimate made by Mr. Westbrook's auditor was that Mr. Westbrook's auditor took into consideration as an administrative expense that money which you carried under work relief and hired people to help distribute the funds, is that right?

A. Yes, sir.

Q. Well, if in trying to make a comparison between your estimate of administrative cost and their estimate, why would they let you handle it the way you have done, that is, on the proposition of this relief money which is spent out of the relief funds to people that were due relief and they turn around and don't carry that in their report?

A. I don't know why the Texas Relief Commission is so anxious to show such administration cost.

Q. I don't see why they don't show it in their own audits because they testify here every day as to the administrative cost in the disbursement of the whole fund, if they use the same audit system that you do.

A. I don't know what to say. I don't know.

Q. This administration cost is like "button, button, who has got the button?"

A. I can't say. Mr. Craig, who audited it, as I understand, is a member of Frank Wilcox Company, representative of the Texas Relief Commission, told me that it was largely a matter left to the judgment of the auditor as to what constituted administrative expense.

Q. Well, if it is left to the discretion of an auditor and being actuated by one purpose one time would make it show large and another time make it show smaller,

that has no semblance of uniform accounting, does it?

A. I am not accusing any auditor of not being uniform, I don't know whether they are or not. I certainly would not accuse somebody without knowing.

Q. Let me show you the purpose we are trying to bring this out. We have been here for ten days now. Now, you offer an audit and you left out of your administrative cost funds that people were due out of the work relief, that you used for paying them, which you don't believe is an administrative expense, and then they in turn audit your statement and say it is an administrative expense, how is the public ever to know what it cost you to get the money to those people?

A. I think there is an attempt to make a uniform plan for that, which was not in effect up to the time we went out of the picture. As I understand it, month after month the Texas Relief Commission accepted our monthly audit without complaint, without saying that our administrative expense was too low; without making any question about it they accepted it month after month, then after we were out of the picture they sent down there another auditor and audited it on an entirely different basis, which basis may be perfectly all right from their viewpoint but which is not right to my point of view.

Q. The present administration there, in this work relief, are they conducting it today just like you did?

A. The difference in paying off. Employees of the Texas Relief Commission, as I understand it, are on a salary basis, a monthly salary basis. We only had two on that basis, the others were on a day to day or week to week basis, they were paid on an hourly wage scale.

Q. Do you know that under their present audit system, that in an audit turned in here the other day that they kept as administrative expenses the salaried people and did not carry as administrative expenses sums used in disbursing these funds?

A. I understand from letters that have gone out over Colonel Westbrook's signature that they are now permitting counties to do exactly

what we did, and that they called us on it.

Q. Do you know, at any time in their work, that has not been a uniform practice?

A. I don't know that.

Q. They did show your relief work up as administrative work. That is the first time I have heard of them or their auditors using that relief situation as administrative because they have testified continuously here that they did not carry it as administrative. Don't you think that the public sooner or later ought to know what it takes to constitute uniform administrative costs?

A. Everybody ought to know, they are entitled to know.

Q. I want to ask you another question. During the time that you were operating down there did you have anyone employed as a dietitian?

A. No, sir.

Q. Do you know whether or not under the new administration down there, that under the new set-up it has employed a dietitian or dietitians?

A. I don't know. I know very little about the present organization. I have purposely kept out of it.

Chairman Purl: Senator Woodruff.

Senator Woodruff: Doctor Gibson, I am asking merely for an opinion. Do you think it would be feasible for local welfare organizations to administer without cost to the fund itself?

A. Without cost to the fund itself?

Q. Yes, sir.

A. I would think so in counties of any concern.

Q. Then, if a smaller county, such as mine, with a population of 20,000 or less, should choose to defray their own expense and devote all the proceeds from the relief fund to actual relief might they not be permitted under the law with propriety to do so?

A. I would think so, yes. In all cases in small counties where the population is small, that you could administer relief almost without cost.

Q. Do you think also that in larger counties where you have the Community Chest Welfare organizations of one sort or another that has

been functioning before this Federal or State relief question came into the picture, wouldn't it be practical for the State to turn over to this local organization such money and let it be confined to the Community Chest to be handled through the ordinary Community Chest channels?

A. Incidentally, say that after a proper investigation was made by the central organization, which has set up a uniform way of doing things, and have a State organization here or somewhere else to o. k. it.

Q. Then the entire proceeds from relief funds would go to relief and if no local organization was willing to finance the local administration it would signify that they really did not need State relief. Is that true?

A. Yes, sir; but I still contend that of necessity you will have to have at least a central State organization which will have some administrative expense to it.

Chairman Purl: Representative Parkhouse wants to ask a question. Do you want to ask a question?

Representative Parkhouse: No.

Chairman Purl: All right, Senator Hornsby.

Senator Hornsby: Doctor Gibson, in answer to Senator Woodruff's question about the proper method of doing this—I will ask you if you have a person who is entitled to relief, if that person is capable of rendering some service, you can get useful work out of him and give him some relief, I will ask you if you wouldn't employ him and give the benefit to the tax payers?

A. Yes, sir.

Chairman Purl: Representative Parkhouse.

Representative Parkhouse: Doctor Gibson, I happen to know quite well of your local situation in Galveston County. Those commissioners that were here the other day, we were discussing the question of relief in Galveston County and they said there was a dietitian, some lady from some of the central north states working in Galveston County. I understand, too, there are other dietitians working over the State. I want to know what your opinion is as to hiring a dietitian to tell a hungry man what kind of food he should eat to relieve his hunger, to keep him healthy, if the county health officer couldn't do that work in cases where

there might be some form of malnutrition.

A. The dietitian is used in family case work; where the case worker goes into the family, there are four or five, we will say, malnourished children, the husband has been out of employment for some time, the mother is not well, the dietitian sets out a schedule of food, balanced rations so to speak for the family. That is the purpose and functions of a dietitian. I would say this that any county of any size like Galveston County where we have a good county health officer and city health officer and any number of physicians who would be willing to devote their time, and visiting nurses who are paid out of Community Chest and Red Cross funds, that we do not need a dietitian.

Senator Hornsby: Mr. Chairman, I make a motion that we recess until 2:00 o'clock.

Chairman Purl: The Senate reconvenes at 2:00 o'clock. There are several matters to be taken up and I don't believe we can hardly get through to reconvene as a committee of the whole at 2:00 o'clock.

Senator Hornsby: All right, make it 2:30.

Chairman Purl: Doctor, what time were you intending to leave, sir; sometime this afternoon?

Doctor Gibson: I will have to take the train tonight; I did want to go at 1:40. That is what I desired. I will have time to do that but if I am needed here I will remain.

Senator Hornsby: I withdraw my motion, so Mr. Westbrook can ask some questions.

Chairman Purl: Mr. Westbrook, how much time will it take you? I don't want to hurry you.

Colonel Westbrook: Fifteen or twenty minutes.

Chairman Purl: We can stay here until 1:00 o'clock in order for the doctor to get away at 1:40. We can agree on that plan with the understanding that if Mr. Westbrook has not completed his examination—you would be willing to stay over night, would you, doctor?

A. I am willing to cooperate in every way.

Chairman Purl: Would it be convenient?

A. It will be considerably incon-

venient to stay, but I will set aside my own convenience.

Chairman Purl: Under the circumstances, unless your motion is insisted upon, we will continue here until 1:00 o'clock.

Senator Hornsby: I withdrew my motion, Mr. Chairman.

Chairman Purl: Senator Neal, do you want to ask a question?

Senator Neal: Just one other question. Can you tell us, doctor, in administering your work relief, has it been the disposition of your committee to put more than one family on those relief rolls to the disadvantage of some other family, probably who was not on the rolls? Just how have you been managing that?

A. We have just done the best we could in judging with reference to each family as they applied for work.

Q. Would you give work to several members?

A. Several members of one family?

Q. One family.

A. We tried not to do that except in extreme cases. I was very anxious to know about that. We tried not to do it.

Q. Then a man on work relief, was he continued in that place, I will say, as superintendent or foreman of the pick and shovel gang, did he hold that place continuously or did you give it to Mr. Jones this week and Mr. Smith next week?

A. In most cases the men were alternated; in some cases they were continued on; in some cases the man only had a week, and if he proved inefficient he was not given any more; some cases went on for a considerable time.

Senator Collie: Let me ask one question.

Chairman Purl: All right.

Senator Collie: In connection with that picture, I want to ask you this. Who made your investigation? Did your committee or did you observe the man?

A. No, sir, we developed a corps of case workers out of the unemployed white-collar men.

Q. Were they volunteers or paid?

A. No, they were paid; paid the work relief wage.

Q. What I am getting at is this. Do you know whether in that set-up those fellows went out and person-

ally made the investigation to see or ascertain whether the man had any property, whether he had any equity in any property that he might make a living out of?

A. Yes, sir, all those questions were asked.

Q. And if he owned any automobile?

A. Yes, sir.

Q. They covered the whole field?

A. Yes, sir.

Chairman Purl: Now, the Chair will assume that the Senators have asked their questions and have turned the witness over to Colonel Westbrook. When he gets through if any members of the Steering Committee here want to ask any questions, they can do so, otherwise, we will assume that the doctor can then be excused.

Senator Rawlings: I want to ask one question. What was the name of the auditor that you had to audit your books down there?

A. His name?

Q. Yes.

A. DeLoach.

Q. What?

A. DeLoach.

Q. What are his initials?

A. A. D. DeLoach.

Q. How do you spell that?

A. D-e-L-o-a-c-h.

Q. Is he a certified public accountant?

A. No, sir. He is a public accountant and auditor, a member of the American Association of Auditors. After his audit was made he sent it up to a man, a C. P. A., certified public accountant in Tennessee, they had a working agreement between them.

Q. Was it verified by this C. P. A. in Tennessee?

A. Yes, sir.

Senator Martin: Mr. Chairman.

Chairman Purl: The Senator from Hill.

Senator Martin: This investigation is, of course, for the benefit of all the Senate. There are just a very few of us here and although it is going to delay us, I think all members of the Senate ought to be here if it is possible.

Doctor Gibson: I will be very glad, if I can be of any service, I will be very glad to stay.

Chairman Purl: The Chair will entertain a motion to recess.

Senator Martin: I think we ought to recess to some time, but I don't want to state the time.

Senator Hornsby: I move that we recess until 2:30.

Chairman Purl: The Senator from Travis moves that the Committee of the Whole recess until 2:30 this afternoon.

The question was put and the motion prevailed; the Committee of the Whole then at 12:40 o'clock p. m. recessed until 2:30 o'clock p. m.

The Committee of the Whole Senate met at 2:30 p. m., September 27th, pursuant to adjournment to that time, whereupon the following proceedings were had:

Chairman Purl: I believe when we recessed at noon, we had Doctor Gibson on the stand and he was to be examined by Colonel Westbrook.

Colonel Westbrook are you now ready to proceed with your examination?

Colonel Westbrook: Dr. Gibson, you testified this morning that you had received no instructions from the Austin office relative to auditing. Do you not recall having received a letter last April, under date of April 4th, that was headed "Specifications for Audits of Summary Reports of Relief Work."

A. I did not say that I had not received anything regarding audits. If I did, I mis-spoke myself. I think I said administrative expenses. I do not think that I have received any instructions regarding audits.

Q. Will you identify that (indicating) as a copy of a letter you received?

A. I would not attempt to identify any letters about carrying on the work in Galveston County without going through my own files, but if there is any particular portion of my testimony this morning, or about these instructions that I have received, and of which I have knowledge, I will be glad to give the testimony.

Q. You do not recall having read Item 8, shown on page 3?

A. I do not recall the specific item here, but the substance of this was received is quite in line with my knowledge.

Q. Will you mind reading that item, please?

A. (Reading) "Administrative Expenses: This amount must agree

with the total of the checks issued for administrative expense purposes. Complete itemization of all disbursements for administrative expenses must be shown in a schedule attached to the Summary Report of Relief Work."

Q. Have you any independent recollection of having received from the Austin office our schedule for accounting and relief work?

A. I would not attempt to identify a piece of literature, because we received so many.

Q. You have received a great deal of instructions from this office?

A. We have received a number of printed pieces of literature and instructions.

Q. Now will you look at that letter of instructions there and tell me whether or not you are generally familiar with the rules and regulations set-out therein?

A. (Looking at sheet) I think in a general way I am pretty familiar with the contents of this.

Q. You received something similar to that if not exactly that copy, Dr. Gibson?

A. I cannot identify this copy, but if there is anything that you want to ask me about it I will try to answer it—it seems to me that I received something conveying that general information.

Q. All I want to know is whether or not you have received the rules and regulations which were sent out of this office.

A. I cannot tell you without going to my files.

Q. You do not know whether you have received anything similar to this or not?

A. I would not say that. Because I cannot recall in a general way to mind what I received four or five or six months ago.

Q. But you are positive that you have received nothing from this office defining administrative expense?

A. As such, in detail.

Q. Did you sign the report which was sent—was signed by the auditors of the administrative report?

A. Yes, I signed the audits that were made.

Q. Did you know when you signed those reports that there was a certificate on the reverse side of those reports reading about like this—?

A. You mean the audit itself.

Q. No, the report. You are sup-

posed to sign the reports that went with the audit.

A. I do not recall having signed those. I did sign the audit form.

Q. You think you signed everything that we asked you to sign?

A. I thought I did.

Q. You do not know whether you signed a report or a certificate reading as follows:

"Pursuant to engagement by the Chairman of the _____ County Relief Committee, and in accordance with the audit program prescribed by the administrative offices of the Texas Relief Commission, I, (we) have audited the records of _____ County Relief Committee at _____, Texas, for the month ended _____, and I, (we) hereby certify that the summary report of relief work and the supporting schedules thereto for the period from _____ to _____, all of which are attached, are in my (our) opinion, correct and properly set forth the conditions of the funds advanced to the subject committee by the Reconstruction Finance Corporation and/or the State of Texas through the Relief Commission."

A. The only thing I recall signing was what the auditor signed.

Q. You did not read the thing thoroughly then? Now, Dr. Gibson, what is your interpretation of work relief? What do you mean by work relief?

A. My interpretation of work relief is the giving of work to persons unemployed based upon the individual's needs upon an hourly wage schedule.

Q. You mean the total amount of work given should not be taken into consideration?

A. We have not done that in Galveston County under this commission. We have employed one man on work relief and it is understood that if they can work they will work and at the time they are placed on work relief it is understood that it will be temporary to meet the individual's need. Sometimes the man will work one week and again he will be continued longer depending upon that particular individual's requirements or needs.

Q. Dr. Gibson, what I am trying to get is a definition of work relief. To whom would you give work relief. What would have to be the qualifications of a man before he should be granted work relief in your opinion?

A. We have tried to give work relief so far as these funds were available to everybody who applied for it, and if we found they were worthy and in need of the same. And in accordance with the need of the particular case or individual. One family might demand or require more than another.

Q. In other words, work relief was granted in lieu of direct relief and the amount of the grant depended upon the requirements of that particular individual?

A. And the relief funds available.

Q. Then your understanding of instructions from this office was to the effect that work relief should be required if the individual was able to work and the work was available?

A. I took it for granted that if a man applied for relief and if he was able to work and the work was available.

Q. But the amount of work relief should not be more to one family than another, all other things being equal, should it?

A. All things being equal it would be a very easy thing to equitably handle the entire situation.

Q. You do not believe that work relief should be extended to one man more than another when the families of both of the men are equal?

A. Yes. The station in life that a man occupies I should think would and should be taken into consideration in an equitable distribution of work relief.

Q. Oh, you are extending relief on the basis of the station of life in which these people live, is that the idea?

A. Where we have a certain work to do it was.

Q. And you base it you might say on the social standing of the individual concerned?

A. We would try to make up in some other way to the others.

Q. Did you take efficiency into consideration in granting work relief?

A. If they were not efficient we would put them in some other class of work.

Q. If they were not efficient?

A. If a man could not handle a pick and shovel we would try to give him some other kind of direct relief.

Q. Your plan then, did not take into consideration the need and the amount of the individual's require-

ment that particular individual should require, but rather the efficiency of the individual entered into the amount of funds granted to their families for work relief—is that correct?

A. Not entirely, no. I would make some qualifications to that.

Q. But as a general proposition, Dr. Gibson?

A. If there was a man to whom we gave relief work and he had four or five dependent upon him and he was not capable of heavy work, or the character of work that was obtainable, we would try to see that he was compensated in some other way.

Q. As a matter of fact, was it not the general practice that the case worker or investigators, when they started to work in that organization, to determine whether or not there was need for a certain amount of relief per week to sustain them and it was generally direct relief instead of work relief which was given?

A. That developed later in the organization.

Q. I will ask you, Dr. Gibson, whether the procedure in granting relief where work relief was given or where direct relief was given, would there be any investigation or estimate as to the amount of work that would be required, or the amount of funds that would be required to sustain the subject in question for a given period of time?

A. I stated why we had no investigators and at no time did we have sufficient funds to carry this program out in full. If we had had a full staff of investigators to take the sum total of the report and have them go out and investigate all of the cases that needed relief so many persons, so much money, at no time did we have sufficient funds allotted to us to have done that.

Q. Then how could you form an estimate or how could anyone form an estimate of the amount needed in these families?

A. I think we could do that.

Q. And by that process, and on that basis you issued work relief or direct relief to the individuals?

A. The general policy was that when a family or a man needed help and the man was able to work he was given work at thirty cents an hour for eight hours a day and five days per week, and he could

get along for the month. But in some cases where we knew that the families were large and could not get along on the basis of one week's work that man would be kept on work relief for a period of maybe two weeks, and then he could carry himself for the rest of the month.

Q. Now you were administrator early during the months of May, June and July, 1933?

A. Yes.

Q. Do you know how many families were on your rolls in Galveston County during those months on an average?

A. I could not answer that without going to my records.

Q. Do you know what was the average amount of relief either work relief or direct, in money or equivalent, the average was in Galveston? Wasn't it about twelve dollars per family per month?

A. I do not think it ever exceeded fifteen.

Q. You are willing to say then it was about twelve dollars per month?

A. I presume that the general need was about that.

Q. Then in that case if you put people on work relief, five days per week and at thirty cents per hour during those three months, some of them would have received considerably in excess of the amount that should have been allotted to them—what exceptional situation existed there that those people who were placed on work relief along at that time should have received seven to eight times as much as the rest of those who were on work relief and were only permitted to work maybe one week out of the month?

A. Those people under circumstances of that kind, some were highly educated office men, professional men, clerks and persons who were employed in various technical capacities, some with families that were large and were relief subjects whom we felt were entitled to at least a sufficient amount of relief to enable them to live in some degree of comfort. We took the position that if a man who was out of employment had been given work relief and we continued to take care of him on that basis so long as he was able to do the character of work to which he was assigned.

Q. Don't you have a good many white collar men there at Galveston and don't you employ all of them on work relief?

A. I could not answer that because I think that some of the white collar men whom I came in contact were willing to do any kind of work that they could get to do.

Q. Why did they receive better treatment than the eight or nine families in Galveston if they were on work relief?

A. It is not a matter of statistics, but it was a matter that we had to have office workers, foremen, investigators, time keepers and other types of clerical workers and we picked them all out of those respective employments putting them in temporary positions. None of these men who were so employed have any means whatsoever by which to sustain themselves, and none of them were given more work than was needed to carry them over the particular period of time.

Q. Now take the case of C. J. Sweeney, one week he received twenty dollars, another week twenty-four, another twenty and the next week fourteen dollars, making a total during the month of June of one hundred and six dollars. Do you remember why that was?

A. Is there any explanation shown there? I would have to look at my records to see.

Q. Does he have a very large family?

A. He had a wife and also had a married son and his family that he was taking care of.

Q. Then he just stayed on the roll and you did not take him off the roll to get any other person started in there?

A. Well, we gave him the job and he proved efficient on it.

Q. You invented a special kind of work relief for Mr. Sweeney?

A. No, we did not. We had to have a man to do the work he was doing and he was proving efficient.

Q. Then I see that you carry another there on that roll at fourteen, twenty-eight and twenty-four, a total of one hundred and eighteen for the month of June and then in July for a total of one hundred and four?

A. Yes, at the same time he was still doing the work in an efficient manner and inasmuch as we did not

feel justified in taking him off as we would have had to have given him relief otherwise we kept him on.

Q. Do you know John Garner, down there?

A. Not by that name.

Q. I see here that you have an office boy down there whom you are carrying as an office boy at forty-eight dollars per month?

A. Some of these men whom we were taking care of, my right-hand helper, Mr. P. E. Gilliland, and Mr. Lang were both salaried men. He has been there for a good long time and I consider Mr. Gilliland one of the most efficient helpers that we have.

Q. But if you did not have to pay this party that forty-eight dollars per month you would have forty-eight dollars to give to some of the people of Galveston—why did you give it to this man—I notice that you have a negress, a janitress by the name of Mary Burnett, who was working in the basement. What was the particular reason that she needed forty-eight dollars per month to support her family?

A. All I know is that she has been a great deal of help to us in looking after the families and in taking care of and in working in the welfare work.

Q. Mary was a special friend while a lot of white men were being paid only twelve dollars per week?

A. Yes.

Q. I do not know—I do not mean to argue with you, but as a matter of fact you did not pay very much attention to the office affairs and the manner in which it was run and as to just how this money was spent—whether it was being properly spent as work relief—or as administration expense. I do not mean to be offensive, but I am merely attempting to bring out these matters because it is necessary to bring these things out because of the fact that somebody has made certain charges here before this committee as to the manner in which this money was being spent and just how much of this money was being spent for administrative expense and what portion of it was going for work relief. Now, I would like to ask you one more question in the very best of spirit. You said this morning that this Mrs. Lynch who was sent down there told

you that she had never had any experience in case work.

A. That is what she told me, as a case worker.

Q. Well, Dr. Gibson, if the personal records in connection with applications for positions and now on file in my office, and which are required before any applicant is given a position, gives Mrs. Lynch's history since she left school and shows that she was a social worker and also a case worker?

A. I did not know that she had experience as a case worker?

Q. For how long had she had that experience?

A. From 1926.

Senator Hornsby: May I ask, Mr. Chairman, if that is sworn to?

Col. Westbrook: No, this is merely a questionnaire, it is not sworn to.

Senator Rawlings: As one member of the Steering Committee, I do not desire to have Mr. Westbrook cut off from going into these matters if he so desires, but my idea of what this committee is anxious to have in the way of information is something that will assist us in determining what kind of an organization should be put in force or set up in this State for the proper, efficient and economical handling of this relief money. We have had various and sundry views expressed by different people and I do not see any necessity in encumbering this record with a lot of matters that apparently have no bearing on what we are trying to get at. I do not want to object to Mr. Westbrook having every opportunity to cross-examine these parties, but it seems to me that we are consuming an unnecessary and needless amount of time and getting no information that is throwing any light on the problem we are facing.

Chairman Purl: The Chair will hold that Mr. Westbrook should be permitted to ask such questions as he may desire that are permissible, and the Chair will see that a great deal of latitude is given to him in asking these questions.

Col. Westbrook: I would like to say that unfortunately quite a lot was said about Mrs. Lynch being brought here, but she was brought here as an experienced person and I thought it was proper that we should advise the committee of the facts in

connection with that and I will say now that the personnel files of the commission are available and accessible to this committee.

Senator Collie: As a member of this committee, but not a member of the Steering Committee, I would like to say that Mr. Westbrook should be permitted to conduct this examination and bring out such matters as he sees fit and proper as some of these matters were brought out on direct examination this morning by several of the Senators. I think that Mr. Westbrook should be permitted to cross-examine this witness on any of those particular questions that were brought out on direct examination. Under all the rules of evidence and as a matter of fairness to him and his office I think that he should be permitted to go into the matter as to why he has employed these persons.

Senator Hornsby: Mr. Chairman, I want to be heard on that.

Chairman Purl: Senator Hornsby.

Senator Hornsby: I am sure no member of the committee or no member of the Senate would object to a proper examination of any witness who comes to this Senate, but to bring in here an unsworn statement of somebody to tell about the experience they might of had is not proper and you know and I know that this is not admissible at all. Dr. Gibson has already stated that she stated to him in his office when she came to Galveston that she had not had any experience as a case worker and yet they propose to offer an unsworn ex parte statement submitted by this woman as an application for a job and we know that lots of people, when making an application for a job, put in there things that cannot be substantiated and in the interest of time I object to the further examination of this witness on this particular matter.

Chairman Purl: The chairman will hold, and has ruled that under the strict rules of evidence this perhaps would not be permissible, but due to the fact that Colonel Westbrook is not an attorney a liberal and fair interpretation and a great deal of latitude will be given to Mr. Westbrook in this matter and he will be permitted to ask such questions pertaining to this matter as he may feel may be necessary in an at-

tempt to contravert the testimony which has been offered by witnesses from this stand.

Senator Hornsby: If we undertake to read into this record the letters and statements made and to prove the experience claimed by all of these workers it would take an interminable time to get through with this investigation. If he can bring the person in here, let him do that and let us see who she is.

Senator Rawlings: I want to make just this one brief statement. I do not want to be placed in the attitude of trying to cut any man off from a proper cross examination. But the time in which we can work this matter out is growing short and I do not want to be placed in the attitude of doing Mr. Westbrook an injustice and if he wants to cross examine this witness on statements that have been made in answer to questions on direct examination he should have that privilege, but not to run in original testimony when by all the rules of evidence it is neither proper or admissible.

Chairman Purl: I think you have the right spirit and I think that Col. Westbrook understands it and we will try to get along as fast as we can.

Col. Westbrook: Dr. Gibson, did you know why Mrs. Lynch was sent to Galveston?

A. No, I was not in charge and knew nothing about her until the conversation I have just told about. That is that she came into my office, said that he was a social worker, but had had no experience in family case work.

Q. Your testimony this morning I think you will agree then did indicate that she was not a proper person for this class of work?

A. As a case worker, but not otherwise.

Q. That was your conclusion?

A. Yes.

Q. You are not aware of the fact that our Commission has been and are still working on trying to improve our case workers and to procure better and better case workers throughout the State. You did not know that at the time Mrs. Lynch came here she had the recommendation of the Federal Relief Administrator?

A. I did not know anything about it.

Q. I believe that you testified this morning that your Board was composed of Reverend M. S. Chataignon, George Sealy, Shern Moody, F. L. Tribben and N. P. Blakemore.

A. That was the committee originally appointed.

Q. Do you know whether or not Mr. Tullis was approved by this Board?

A. I guess so, or he would not be there.

Q. Who is at present in charge of the Galveston Relief Committee?

A. I think it Fr. Chataignon.

Q. He is in charge of the Galveston County Relief work?

A. Yes, sir.

Q. Does the Reverend Chataignon receive any pay?

A. I don't know anything about the present set-up of the committee; I presume not.

Q. You did not receive any pay?

A. No, sir.

Q. Do you think you work harder or did better work than Father Chataignon?

A. I have not so said or intimated.

Q. Neither one of you received any pay?

A. No.

Q. You testified this morning that you thought relief could be administered in Galveston at a nominal expense if turned over to the citizens of Galveston County?

A. Yes, because I thought at this stage of the relief work the counties ought to be able and the majority willing to pay for the administrative costs so that the bulk of the funds outside of the expense of the central office should go direct to helping the people.

Q. You think and we do too that you are doing a mighty good job of administration in your town and vicinity, don't you?

A. I never boost myself.

Q. But you think it is pretty good?

A. We did the best we could under the circumstances.

Q. As good as might be expected under normal conditions?

A. Nothing is ever done that cannot be improved.

Q. Now counting in the salaries

which you paid to those who were on work relief your expense actually was something like \$4,000 a month on each of these months, wasn't it?

A. Looking your figures over which according to your report the sum total balances up well it runs twenty-four hundred, sixteen hundred, twenty-five hundred, twenty-three hundred, four thousand, forty-five, forty-one hundred, a total seventeen thousand.

Q. In May it was \$4,578 and July \$4,134 and it was a pretty good job and about what we would expect if we turned the funds over to the citizens of Galveston County to administer.

A. Not what you could expect now, what you were able to have at that time. I think the more experience you have and the more you are giving of the Federal Funds to the county the more independent and self-supporting the counties will be and more willing to take over a part of your load.

Q. You think in the month of October, 1933, there should be turned over to a new organization in your county the funds to disburse that you might do it slightly more economically than you were doing in July of 1933?

A. Having a definite definition and outline of what administrative expenses are, I believe that that could be done, keeping within a reasonable expenditure.

Q. No matter whether you call it administrative expense or what, it was expense that was required to run that office in May, June and July, wasn't it?

A. Yes.

Q. If the same work was being done—I know you were fair enough to agree—if the same work that was being done could be done for \$2,000 a month as was being done for \$4,000 during May, don't you think that shows a decided improvement?

A. I am not passing judgment on what has happened since the ninth of August; I have had a vacation, intentionally stayed away from Mr. Tullis in order not to interfere and let him have full sway and would not know anything about this cost. I trust it will improve as the months go on and hope it is improving now.

Q. It is, doctor.

Chairman Purl: Any more questions? If not, the witness will be excused. Thank you, very much, doctor.

Senator Woodward: The San Antonio man please come around.

Tex Alsbury resumed the stand and testified as follows:

Senator Rawlings: You were on the stand this morning?

A. Yes, sir.

Q. I have forgotten the date you went to work for the relief association down there.

A. About the eighth.

Q. August 8th?

A. Yes, sir.

Q. When was the first audit or report made by you after you took charge?

A. I—what character of report?

Q. We will call it an audit. Have you had any audits made?

A. Yes, sir.

Q. How many?

A. One. The daily report, of course that was open—

Q. (Interrupting.) This morning Colonel Westbrook was asked to produce the report that was sent in which you said was not correct. I will ask you if that is the report.

A. It looks very much like it, sir.

Q. Yes, sir; so that is the report that you sent in to the headquarters at Austin?

A. I don't know that this is the one, but it looks like it. I see all the names down here of various ones and all that. I don't know, but it looks like it.

Q. Do you have any reason to doubt that it is the same report?

A. This is one—I don't know, sir; it looks like the report.

Q. You are the administrator down there?

A. Yes, sir.

Q. I want to identify in this record the report you sent in.

A. I can't identify this report.

Q. Do you have any record with you by which you can identify it?

A. I sent Colonel Westbrook one in here.

Colonel Westbrook: I believe I can identify it.

Senator Rawlings: Is that the one he sent in?

Colonel Westbrook: Yes, sir.

Q. Did you prepare this report, Mr. Alsbury?

A. No, sir.

Q. Who did?

A. Mr. Wendler and Mr. Graves.

Q. Mr. Wendler and Mr. Graves?

A. Yes, sir.

Q. Mr. Wendler is assistant to you, is he not?

A. Yes, sir.

Q. Who is Mr. Graves?

A. He is the auditor.

Q. Was the auditor at that time?

A. Yes, sir.

Q. When did he sever his relations down there?

A. He hasn't never left; he tendered his resignation and I never accepted it and he is still around there.

Q. I thought you testified this morning that when he got up this report you found out he wasn't any good and he quit.

A. I didn't say that. He made a mistake in his audit.

Q. He still hangs around there?

A. Yes, sir.

Q. Is he still on the payroll?

A. No, not working for me; he tendered his resignation.

Q. Is he working for this relief committee in Bexar County?

A. He was working for it.

Q. Is he working now?

A. No, sir.

Q. When did he quit?

A. He sent in his resignation Saturday, I believe.

Q. And you accepted it?

A. No, sir; I never accepted it. A man relieved him, however, but he was still there.

Q. Tell this committee whether he is working for you or not.

A. I haven't got him on the payroll that I know of.

Q. Who would know it?

A. I guess I would, but I haven't got him on there that I know anything about.

Q. Would you say he wasn't on the payroll now?

A. Yes, sir; I would say that.

Q. When did he quit?

A. Saturday.

Q. You stopped his pay last Saturday?

A. Yes, sir.—Just a minute, I will give it to you. (Examining paper.) No, that's not it.

Q. You, haven't got it?

A. No, sir.

Q. Are you sure he is not on the payroll?

A. I told them to take him off.

Q. Who did you tell?
 A. Some of the boys.
 Q. Who was it?
 A. I got a big organization down there.
 Q. You got a big organization that takes care of 70,000 people?
 A. Yes, that's it.
 Q. How many have you got on the payroll?
 A. I don't know.
 Q. Who does?
 A. Well, I guess they show up in the audit.
 Q. You didn't make the audit, did you?
 A. No, sir.
 Q. Can you tell this committee how many people you have on the payroll in Bexar County?
 A. No, sir.
 Q. Can you approximate it in hundreds?
 A. Well, it is around three hundred and something, I think.
 Q. When we got this report of September 16 it only had 260 and now it is grown to more than three hundred?
 A. I don't know just exactly, the audit ought to show.
 Q. Can you give us anywhere close the number on the payroll down there?
 A. No, sir; I can not.
 Q. Who can give it? Who is the auditor?
 A. Mr. Chumney.
 Q. Can he tell us approximately the cost of administration of these people on the payroll?
 A. I don't know; the audit will show that—I never have seen the audit.
 Q. You are down there in charge?
 A. Yes, sir.
 Q. Can't you tell us how much money you are spending per month?
 A. This last month I think around \$7,200.
 Q. That was the month of August?
 A. No, sir; September.
 Q. This September?
 A. Yes, sir.
 Q. About how much money was spent there in August for this kind of help?
 A. The audit will show that.
 Q. Don't you know?
 A. No.
 Q. Don't you have the slightest idea?
 A. No, sir; I do not.

Q. You don't have the slightest idea of what your overhead expenses are down there?
 A. I know it ought to show in the audit.
 Q. It doesn't. Don't you have the slightest idea?
 A. No, sir; I wasn't in there all of August.
 Q. Well, you've been there since the 8th of August and this is September; have you tried to find out about it?
 A. No, sir; I haven't seen that audit and I don't know.
 Q. What have you been doing down there?
 A. Been working my head off.
 Q. I notice you made a statement here in the paper that every thing that came up here was absolutely false and you were going to show us up when you came up here. Is that correct?
 A. No, sir.
 Q. What did you tell these newspaper man about telling the committee to go to hell?
 A. I did tell a newspaper man to go to hell.
 Q. The newspaper man or this committee?
 A. The newspaper man.
 Q. They incorrectly quoted you?
 A. Yes, sir.
 Q. Didn't you flare up and use some pretty strong language?
 A. May I explain that? I never flared up.
 Q. They had some pretty strong language in the paper.
 A. Just a minute and I'll explain it to you.
 Q. I would like to hear it. Has the auditor got that?
 A. No, sir; I have it. I went in on August 8 and on September 23 they came down—on August 27 it was, and asked me for an audit.
 Q. Who did?
 A. The newspaper men.
 Q. The newspaper men asked you for an audit?
 A. Yes, sir.
 Q. What newspaper men?
 A. Some of the newspaper men down there on the paper; all of the papers, The Express, The Evening News, and The Light.
 Q. Which one sent a man down there?
 A. They asked me to look at the record, the newspaper men; I don't know—The Light, The Evening

News, The Express—different ones made a trip down there.

Q. Which one asked you for an audit? You don't know the names of any one?

A. Yes, sir. Before that I told them I didn't have an audit, that an audit wasn't made yet of the books and they said "If you don't let us see these records we're going to light a fire under you." I said, "Light all the fire you want. I can't give you something I haven't got." On September 23 they quoted me as saying that the audit had been completed early in the week and I refused to give them a copy which is absolutely a lie, if I may be excused that expression. I asked them to quote me and quote me right. All I ask for is a clean spot and a square deal from any man in this wide, wide world, and that is all I am asking any time, any place.

Q. But now, Mr. Alsbury, you are quoted here as saying you had been told by representatives of The Light that you had been subpoenaed to appear before the Senate and you said "I ain't a damn bit afraid of them." Is that what you told them?

A. Just a minute.

Q. Answer my question.

A. No, sir.

Q. You didn't tell them that?

A. No, sir.

Q. A little later on you had a quotation "I know there is a plot to oust me by Wednesday. I will make chumps out of them."

A. I didn't say that. That is incorrect. May I let you read this paper right here?

Q. No; we want to ask you some questions. Now in the office at that time were L. P. Bishop and W. B. Arnold, are they both here?—Assistants both of whom vehemently agreed there was a plot to have Alsbury ousted.

A. Yes, sir.

Q. Will you tell us about that plot?

A. I don't know anything about it.

Q. Who originated that idea?

A. I don't know; there's more things originate in San Antonio than any place in the wide, wide world.

Q. You say now there was a plot to have you ousted?

A. I don't know.

Q. It is reported that Mrs. Kowling is sorter trying to run the show.

A. Yes, sir.

Q. Trying to set up some of the ideas she brought down from Wisconsin?

A. Yes, sir.

Q. It is causing friction in your office?

A. Yes, sir.

Q. It has practically disrupted your force and got everybody mad and yelling at each other?

A. Well, in the process of the general reorganization it was too drastic and we disagreed in that. In view of the fact that there was a home visit and then waiting for an investigation and probably two weeks or three weeks has went by before that those good people were ever given any aid.

Q. Isn't it a fact that she would take some negroes and tend to them and some white families would have to wait three or four days waiting for relief based on the system she brought down from the North and set up here?

A. That system isn't used at the present time and we have two systems which are not yet satisfactory to the people as a whole but I believe will be later on. I don't know, I am not a social welfare worker.

Q. She is an expert at that?

A. Yes, sir.

Q. Devoting most of the time to social welfare work?

A. Yes, sir.

Q. Giving more time to that than she is to treating the hungry people?

A. Well, I think the little lady means well but it is a big proposition.

Q. She is not doing a good job down there, is she?

A. Everybody is not satisfied, I will say that. There is a great deal of dissatisfaction caused over her attitude in social welfare work.

Q. Now then, Mr. Alsbury, this report was gotten up in your organization?

A. Yes, sir.

Q. And you sent that in in response to a request from Colonel Westbrook?

A. Yes, sir. What we had reference to there was Form 10A, wasn't it, Colonel?

Q. I want to know if you got up this report in response to a request from Colonel Westbrook?

A. Mr. Woodward, my people

sent it in to you. I presume that is the one.

Q. I asked you if you sent it in after you got a request from Colonel Westbrook.

A. I haven't seen it, I don't know, sir.

Q. You don't know whether it is right or not?

A. I don't know whether it is right or not.

Q. Maybe I misunderstood you; I understood you to say this morning that this first report was not correct; you went and got an auditor and had this new audit.

A. You said something about \$18,000 administrative costs, that is what I had reference to.

Q. Your new report shows it?

A. I don't know, sir.

Q. Do you know whether it is correct or not?

A. All I have got to go by is the audit and if it is correct, all right, and if it is not, I am not an auditor.

Q. Did you examine this report filed at the home office at Austin before it was sent in?

A. I don't know whether I did or not.

Q. Have you examined it since it has been sent in?

A. No, sir.

Q. You don't know whether it was right or not?

A. No, sir.

Q. Do you know what the payroll was for this period for which the report was sent in, the report you sent in?

A. What was the date of it?

Q. What period does it cover?

A. It ought to be on there.

Q. I am asking you.

A. I don't know, has it got a date on it?

Q. It has got a date on it up to September 16. Analysis of Administrative Payroll Expense, September 16, 1933, I don't know what that means.

A. Well, I don't know the payroll either.

Q. What period does that report cover?

A. I guess from the 9th to the 16th, don't it?

Q. I don't know.

A. Doesn't it say up there?

Q. Tell me what time it covers.

A. That looks like it all right.

Q. Looks like what?

A. The payroll of the sixteenth.

Q. Is that the payroll of September 16th?

A. As well as I recall, the administrative payroll.

Q. Sir?

A. The administrative payroll.

Q. That means the amount of money you paid out on September 16 on the payroll?

A. Yes, sir, that's—I don't know, well it looks like it; the audit ought to show that.

Q. I am not asking you about the audit; I am asking you about the report you, as administrator, sent in to the home office.

A. I guess that shows it. I guess that's the one; I can't identify it.

Q. It has already been identified; I want to know what it shows now, what period of time does it cover?

A. From the ninth to the sixteenth.

Q. Where do you find that on here?

A. Well, I don't know.

Q. The ninth of what?

A. The ninth of September.

Q. It covers from the ninth of September to the sixteenth and it is \$18,000 according to your own figures?

A. Not my figures.

Q. Well, the figures on the report you sent in?

A. I can't go by that report.

Q. You say this covers from the ninth to the sixteenth and shows expenditures of \$1,835.60 according to your own report; is that correct?

A. I don't know.

Q. Your audit shows for the month of August a payroll of \$63,484.08; is that correct?

A. I haven't seen the audit; you have seen it, sir; you have got it.

Q. Is there anybody here familiar with the audit?

A. Yes, sir.

Q. You say it is not correct?

A. I haven't seen it.

Q. When was the audit made?

A. Day before yesterday.

Q. When did you hire these auditors that made it?

A. They were hired last year, I believe.

Q. You say that Mr. Chumney was the auditor. When was it you hired him?

A. April, April this year.

Q. This the only report, the only audit he has made?

A. No, he has made every one of them.

Q. This covers costs?

A. Yes, sir.

Q. This is dated September 25. What periods you generally start your audits down there?

A. First to first.

Q. You started September 25th making up your August report?

A. No, sir, it has been around the seventh or eighth.

Q. Why did you wait until September 25 to make this August audit?

A. I will say this, the record in connection with that organization, sir, are so big that it takes a long time to get them.

Q. They are so mixed up it is mighty hard to find it?

A. It is a big organization.

Q. These two steel file cabinets came from your office?

A. Yes, sir.

Q. Are those all your records?

A. No, sir. The records down there would almost fill this chamber.

Q. Now will you tell me why you waited until September 25 to make the August audit?

A. It has only been coming in that way.

Q. Is that the way it has been coming in all the time, you wait about a month until you make the audit?

A. Not a month, probably, but the auditors can give you the exact.

Q. When did you ask him to make this audit?

A. He has been employed all the time.

Q. Does he have a fixed time to make his report?

A. No, sir, he is auditor of the organization.

Q. Was there any special request made to Mr. Chumney to make this audit?

A. No, sir.

Q. Was there any request to make an audit and bring it up here?

A. Oh, yes.

Q. Who requested it?

A. I spoke to him, I believe it was day before yesterday, to come up.

Q. And it was day before yesterday that you received this report?

A. Yes, sir.

Q. Did you have an audit covering costs before this one was gotten up?

A. I couldn't tell you Senator. I don't know.

Q. You examined these audit reports before you sent them in?

A. This is the first I have seen; the rest of them are down there but they are in the files.

Q. You received and filed the others?

A. Yes, sir, that was before my time.

Q. Would you produce the other months' audits if the committee would make that request?

A. Yes, sir.

Q. Could you tell me how much money the commissaries spent in August?

A. I don't know, the audit ought to show it.

Q. You have no idea how much it was?

A. I don't know, sir.

Q. Around \$60,000?

A. I don't know.

Q. Do you know how much money the commissary has spent since this organization has been set up down there?

A. No, I couldn't tell.

Q. Would you think \$560,000 would be about right?

A. I don't know.

Q. You are not familiar with the audit?

A. No, sir.

Q. Have you anything else you want to tell us now? You want to make chumps out of us. Have you anything else to tell us?

A. Senator, I don't think you are giving me a square deal by saying I am trying to make chumps out of you; I didn't come up here to make chumps out of anybody. I didn't say that. I tell you I have the utmost respect for the law-making body of this great State. I want you to know that.

Q. We appreciate that.

A. I told the newspaper men that it was either them or me and if they made a mistake—

Q. I am not interested in that. If I said anything to offend you I apologize to you. What I want to know is this, have you got anything to suggest to this committee; you are the person in charge around there; you ought to know something about it. Have you got any suggestion to make how this could be made to work smother?

A. The way I think it ought to be, sir?

Q. Yes.

A. Why, yes.

Q. All right, let us have some of them.

A. I believe that a man ought to receive a day's wages for a day's work.

Q. What do you call a day's work?

A. Let him earn his bread by the sweat of his brow.

Q. What do you call a day's wages?

A. Now that is—

Q. What I want to know, Mr. Alsbury, is what you call a day's wages.

A. I am a union man, I believe in good wages, wages that will enable a man to take care of his family according to the American standard of living, under circumstances other than under this relief.

Q. Here is what I am talking about. Do you have any suggestion to make about improving your department down there, any change that ought to be made, that this legislature ought to make that will help your department to work smoother, to help put over this relief program?

A. I will say this. I think it can be arranged; I believe that is going to be done; that they will be in a position to segregate the infirm from the able-bodied men and give those able-bodied men employment and then let social welfare take care of the infirm.

Q. In other words, you want to divorce, to separate those two departments so they won't be mixed up together.

A. Yes, sir. It is immaterial who does it and how it is done.

Q. Do you have any other suggestion, Mr. Alsbury, to make?

A. No, sir. I would appreciate any suggestion along that line. However, I have given you my way of looking at those things.

Senator Woodward: I want to ask you a few questions.

A. Yes, sir.

Q. Mr. Alsbury, if you can answer my questions, I will be glad for you to do so, if you can't just say you can't and we will hurry along with this.

A. I will try to answer every question that you put to me as fairly and honestly as I can.

Q. I am sure you will. You are county administrator down there?

A. Yes, sir.

Q. What are your duties?

A. Well, my duties are to disburse the funds, look out for the organization as a whole, and try to comply with the rules and regulations.

Q. Now, one of your chief duties is to disburse the funds?

A. Yes, sir.

Q. How much did you disburse in August?

A. I don't know, sir. The audit will show that.

Q. That is all right. If you don't know, say so.

A. I don't know, sir.

Q. How much did you receive in August?

A. I can't tell you.

Q. How many employees did you have in August?

A. The records will show that, I can't tell you.

Q. I am not talking about the records. If you don't know, say so.

A. I don't know.

Q. How much money was paid to employees in August?

A. That, I don't know.

Q. Yet it is your duty to disburse those funds?

A. Yes, sir.

Q. And you don't know how much you disbursed nor how much you received?

A. No, sir; that is a fact.

Q. What was the administrative expense in August?

A. Well, the audit will show that.

Q. Do you know?

A. I don't know.

Q. You don't know?

A. No, sir.

Q. Then you don't know whether this report which was sent to Mr. Westbrook in response to his request that shows \$18,035.60 expense is correct or not, do you?

A. No, sir.

Q. You are not in position to point out any error in that report, are you?

A. Well, I guess.—

Q. I hand it to you now. If you can point out any error in it, just point it out. I am sure Mr. Westbrook will be glad to correct it if there is any error in it, or you can correct it. Just point out the errors

in that report. Can you point out any error in it?

A. This line up here "Administrative cost" that is all.

Q. Can you point out any error in that report?

A. No, I can't say as I can.

Q. Let me have it back, please, sir. Did I understand you to testify this morning that when this report was sent in, that after this report was sent in you discovered it was wrong?

A. As far as the administrative payroll is concerned.

Q. All right, how much wrong is it?

A. Well,—

Q. Look at it and see how much wrong it is.

A. I understand it is correct, all with the exception on this first sheet here which is wrong.

Q. All except the first sheet is wrong?

A. Well, as far as the rest of them—no, wait just a minute. They have got the head of this department—

Q. As a matter of fact, you don't know whether it is right or whether it is wrong?

A. I can take a little time and check it.

Q. Just answer the question. You don't know whether it is right or whether it is wrong?

A. I can take time and check it and see if they have got them all on the administrative payroll.

Q. What do you call the administrative payroll?

A. Permanent employees.

Q. Permanent employees?

A. Yes, sir.

Q. What is your definition of unemployment relief?

A. Unemployment relief?

Q. Yes. What is unemployment relief?

A. Well, now, I will tell you—

Q. Now, you are at the head of that thing down there. You are directing its affairs. Now, what is unemployment relief?

A. Well, I will tell you.

Q. All right.

A. I will give you my theory of that. When I took over the administrative end of the organization, the Social Welfare Department came along about that time; we had been giving the people employment just

as we could in wood cutting, cutting weeds, gardens, etc., which we had. Then the Social Service stopped it, saying that the amounts would be paid to the families according to the budgetary needs of the family. Now, that work relief is coming through that department.

Q. What is unemployment relief.

A. Well, when a man, anything that will give him employment, rotate him, that is considered a rotating basis of unemployment relief.

Q. Is that the best explanation you can give of unemployment relief?

A. That is the way I would determine it.

Q. And the administrative expense, according to your understanding then is just the salaries that you pay the regular employees?

A. Yes, sir.

Q. Which would include the 624 men that you say was on the payroll?

A. 20 men now.

Q. 20 men?

A. Yes, sir; there was four of them cut off today.

Q. That would include 620?

A. Yes, sir.

Q. I notice in this audit that I have before me that there is listed for the month of August payroll a total of \$11,473.30. Now, what did that include?

A. Well, evidently it must show that.

Q. I am telling you it shows the payroll to be \$11,473.30.

A. That must evidently include the Welfare Department.

Q. I don't know what it includes. What does it mean?

A. If it says that there, I guess that is correct, I have never seen it.

Q. Well, I notice under Work Department the payroll is \$39,694.49. What does that include?

A. That includes giving the man a day's work, I mean a week's work, whatever it is, two week's work.

Q. Whatever amount of money you paid him?

A. Yes, sir.

Q. That does not include the commissary?

A. How is that?

Q. That does not include the food that you give him out of the commissary?

A. No, sir.

Q. Do you know how much the commissary fund was during August?

A. No, sir; I don't.

Q. As a matter of fact, you don't know much about it, do you?

A. I haven't had time to get down into it.

Q. I didn't ask you about having time. As a matter of fact, you don't know much about it, do you?

A. No, sir.

Q. You are down there drawing \$300.00 a month and you admit that you don't know much about it.

A. No, sir; I don't.

Q. You don't know how many employees are down there?

A. No, sir.

Q. You don't know how much has been received?

A. No, sir.

Q. You don't know how much money it takes to operate that department, do you?

A. Well, it varies; we have reports on it.

Q. You don't know how much it takes, do you?

A. Mr. Woodward, I haven't been in there long enough. I haven't had a chance to try and reorganize the Social Welfare units. Then this little lady came down there. When you have got 70,000 people just like that around you every day, you don't have time to go into those things. I will say this now. If there is not something done inside of one week you will have a riot in San Antonio. We are going to have to feed those people. We are trying to feed them the best we can. Now, they don't want charity, they want jobs; there are many hungry people in San Antonio today.

Q. Well, if something is not done down there it is going to blow up?

A. It will blow up.

Q. Now, will that be because of the organization?

A. It takes money to run an organization.

Q. I understand that. But what will cause it to blow up?

A. Well, the economic condition of the people out of employment.

Q. Well, don't you really think that it is due to the fact of the dissatisfaction about the organization? Now, whether it is right or whether it is wrong?

A. No, that is not a fact, sir. What the people want is jobs.

Q. Well, we can't settle that today. Coming back a little bit, did I understand you this morning to say that in August there were 600 people on the payroll?

A. Six hundred and something; yes, sir.

Q. Six hundred and some were on the payroll?

A. Yes, sir.

Q. Didn't you calculate that this morning?

A. 661, wasn't it?

Q. 664.

A. 664.

Q. That is up to date?

A. Yes, sir.

Q. That did not include this unemployment relief, did it?

A. Yes, sir.

Q. You had more than that, didn't you?

A. It was on a rotating basis.

Q. Well, what I mean is didn't you mean you had 664 people who were working in connection with the administering of affairs down there?

A. Well, now, I don't know. There were quite a number of people on from the 1st of August up to the 8th before I was administrator that were used by working men two or three days.

Q. Have you got a list of the people carried as employees during August?

A. During August?

Q. Yes, sir.

A. I think that I have got it here. Kenney, will you get it, please?

Q. While he is looking for that, I will ask you this. You made a report to the Austin office, didn't you, of the individual names of your employees?

A. Yes, sir.

Q. Well, I have before me the report of Mr. Westbrook as to Bexar County showing the names of the employees, their title, duties and salary during the month.

A. All right.

Q. Do you know what period that covers?

A. What is the date on it there?

Senator Woodward: Mr. Westbrook, what period is this supposed to cover; August, isn't it?

Colonel Westbrook: It is August, yes, sir. Now, that was as of the

date the report came in. Senator, which was about September the 15th.

Senator Woodward: September the 15th?

Colonel Westbrook: Yes, sir.

Q. Well, this report I have shows the names of the employees, their title, their duty and their salary per month, as of September 15th, this month. Did you send that in to Mr. Westbrook?

A. If he said I did, I guess I did.

Q. Don't you know whether you did or not?

A. We have plenty to send in to him every day. I don't know.

Q. Well, see if you have a copy of it there.

A. This belongs to you gentlemen, don't it?

Q. Is that it?

A. Yes, sir.

Q. Does that total \$18,035.18? Right on the front you will find it I think. Does that total \$18,035.18?

A. Yes, sir, that is right. That is, it is written in here in ink, sir.

Q. All right. Can you tell me from that report whose name is on there that ought not to be on there as an employee and who is not receiving a salary as indicated by the report, or was at that time?

A. No, I don't believe I could because I don't know them all.

Q. Is there any person there with you who knows the names of the employees down there?

A. Mr. Wendler.

Q. Does he know the names of the employees as of September 15th?

A. Yes, sir, he ought to know. I haven't been in there, you see—

Q. You can't give me that information? I will have to get it from somebody else?

A. Yes, sir.

Senator Woodward: I don't know anything else to ask him.

Chairman Purl: Senator Murphy.

Senator Murphy: Mr. Alsbury, you took up your present office about August 8th?

A. Yes, sir.

Q. Prior to that time, how were you connected with the Administration of Relief Office in Bexar County?

A. I was on the committee.

Q. You were on the committee?

A. I was appointed by Governor Sterling in 1932.

Q. 1932?

A. 1932.

Q. Had you been on the committee continuously since that time?

A. Yes, sir.

Q. Well, had you attended the meetings of the committee?

A. Yes, sir.

Q. Enough to familiarize yourself with the committee, the work?

A. Well, you see we were arranging our set-up and it took a lot of hard work to get the thing going.

Q. How much money has Bexar County received in Federal funds?

A. That, I couldn't tell you.

Q. Can you tell us within \$100,000?

A. No, I could just give you an estimate of what I think, you know, since I have been on the committee.

Q. All right. About what?

A. About \$500,000.

Q. What is your estimate as to the amount of funds that Bexar County has received?

A. Well, around \$500,000, I think, or a little bit more, possibly \$600,000, I don't know.

Q. Mr. Alsbury, were you an applicant for your present office?

A. I was not, no, sir.

Q. You did not seek the office?

A. No, sir.

Q. Do you know who recommended you for it?

A. Well, various labor organizations and others requested that I be appointed. I took hold of the relief organization in San Antonio. It is like anything else where there is a little dissention, something like that, they were dissatisfied with the previous chairman of the committee. I want to say that he had done a good job. It is like anything else—

Q. You don't mean the previous chairman, you mean the previous administrator, don't you?

A. No; previous chairman. I was appointed administrator.

Q. What is the title of your office now?

A. Administrator.

Q. Did you or any of them come to Austin in connection with your appointment?

A. I never came to Austin and requested the appointment.

Q. Did you ever come to Austin

and discuss your appointment with anyone?

A. Colonel Westbrook, when I was over here one time, he talked to me about it and I told him I would accept the appointment.

Q. You told him you would accept the appointment?

A. I said I would, but I didn't say how long. I said I would accept the appointment.

Q. You were out of employment at that time, were you?

A. Yes, sir.

Q. Were you seeking employment?

A. No, not then.

Q. Do you know who else recommended you besides the labor organization?

A. Well, the mayor, I think, and several others.

Q. The mayor?

A. Yes, sir.

Q. And who else?

A. I don't know.

Q. Did the county judge recommend you?

A. I understand he did.

Q. And the commissioners' court.

A. The commissioners' court.

Q. Well, now, Mr. Alsbury, how are your employees selected over there?

A. Well, every employee, Senator, has to be registered; has to be registered, investigated and rendered eligible for employment by the investigating department, by the social welfare department before he is eligible to receive employment.

Q. Is that true of all those persons whose names appear on this list?

A. Yes, sir.

Q. Now, what does it take to be eligible?

A. Well, a man who is out of employment and needs it, he will have to register and then he is investigated.

Q. Is that true of your administrative force?

A. Well, the administrative force, I never made any changes in them when I went in there. Virtually 90% of the administrative office employees were there since last year.

Q. Now, you testified this morning that there were more than 600 employees on your payroll at the 1st of the month, did you not?

A. 66.

Senator Woodward: 664?

A. 664, yes, sir.

Q. 664. About September the 16th, according to the report you furnished Colonel Westbrook, there was something like 2539?

A. Well, that is what the report said, I guess that is what it was.

Q. Who employs those men?

A. Well, they are rendered eligible for employment through the work department and the man in charge of the work department puts them to work.

Q. The man in charge of the work department employs the case workers?

A. No, sir; that little lady there who is in charge.

Q. She employs those?

A. Yes, sir; the case workers.

Q. How many of them are there?

A. I think about 190 of them now, something like that.

Senator Woodul: We can't hear the witness.

Chairman Purl: The witness will please speak out so he can be heard.

A. Yes, sir.

Q. Well, now, Mr. Alsbury, has it or not been the policy of those in charge of the administration of relief funds in Bexar County to make public the expenditures of the local administration?

A. Yes, sir.

Q. Do you know—did you audit the books monthly?

A. Yes, sir.

Q. You did?

A. Yes, sir.

Q. Mr. Alsbury, I will ask you to state whether or not, prior to this report, by Carneiro-Chumney & Company, dated September 25, 1933, a previous audit report was submitted to you some few days ago?

A. Probably it is in the file. I don't know that it is.

Q. Do you know whether or not an audit report was submitted in August of the local administration?

A. No, sir; not August.

Q. Well, September?

A. No, sir; none has been made of September.

Q. Who has organized the administration of relief funds in Bexar County as they now exist?

A. Who has organized them?

Q. Yes, who has organized them?

A. What do you mean?

Q. Well, you have various departments. You have a commissary department, do you not?

A. Yes, sir.

Q. And you have a relief employment department, do you not?

A. Yes, sir.

Q. What other departments or divisions do you have?

A. Well, the hospital, work department, wood department, gardens, etc. It is all set up there.

Q. Who is in charge of the garden department?

A. Mr. Robert Roper.

Q. Mr. Robert Roper? Well, how many do you have on the relief rolls there in Bexar County?

A. Dependents, is that what you have reference to, sir?

Q. Yes.

A. Between 70,000 and 75,000.

Q. Between 70,000 and 75,000?

A. I think that is correct.

Q. How many did you have last month?

A. I don't know. Form 10-A will show it.

Q. How many?

A. Form 10-A will show it.

Q. Well, has your list increased any or been reduced this month?

A. It has been reduced, I think, some.

Q. Can you tell us approximately how many?

A. I could not. We have taken some people off the rolls, on the re-investigation.

Q. Which re-investigation is that?

A. Well, re-investigation by the case workers, the social welfare department.

Q. Well, you are in direct charge of the various departments of your organization, are you not?

A. In a way, yes, sir; but I don't interfere with that department at all.

Q. Well, don't they consult you?

A. No, sir; she is a social welfare worker; she was sent down there to organize it and she is organizing it.

Q. Well, doesn't she advise and counsel with you as to the policies of the welfare department?

A. Oh, yes; on some of the things she does.

Q. Who is in charge of the work department?

A. Mr. Arnold.

Q. What is the nature of the work that he does?

A. Sir?

Q. What is the nature of the work that is done by him?

A. Well, he checks the work cards. He has the gang of employees in the different departments. He

looks out for transportation for them, etc.

Q. That is who?

A. Mr. Arnold.

Q. Mr. Arnold?

A. Yes, sir.

Q. Is Mr. Arnold employed by anyone else at this time?

A. No, sir.

Q. He does hold some official position, does he not, with some organization? Didn't you testify to that this morning?

A. Yes, sir; he is secretary, I think, of the Printers' Association, Allied Printers' Association.

Q. Of the State of Texas?

A. Yes, sir.

Q. Well, now, does your organization inquire of these Mexican people over there as to whether or not they are citizens of the United States?

A. Yes, sir. As soon as I went in I was interested in that. I had a couple of investigators to work on that at the Mexican office with a couple of immigration officers. I think there is something like 5,000 aliens on the rolls.

Q. Something like 5,000 aliens?

A. Yes, sir.

Senator Murphy: That is all.

Chairman Purl: Some of the members complain that they can't hear you. If you will speak out loudly they will appreciate it.

Senator Martin: Mr. Alsbury, that is your name, is it, Mr. Alsbury? A-l-l-s-b-u-r-y?

A. A-l-s-b-u-r-y.

Q. How long have you lived in San Antonio?

A. All my life.

Q. Do you know about what the population of Austin is?

A. Now?

Q. Yes, now.

A. No, not Austin.

Q. Do you know about how the list of people that you have down there, that are carried on the relief rolls there, how that list would compare with the population of Austin?

A. Well, I should think that Austin would be whole lot lower than San Antonio.

Q. You have about 70,000 you say on the relief rolls there, that is right, is it?

A. Yes, sir; approximately 70,000.

Q. You have to feed, clothe and take care of about 70,000 people, is that right?

A. Yes, sir.

Senator Martin: Do you think that would be more than the entire population of Austin?

A. I do not know. I would think that Austin would have at least 100,000 population—I do not know as a fact.

Q. Well, now, getting this down to a concrete proposition, if we can, you think that Austin would have about around 100,000 people—is that right?

A. I should think that it would be something about like that.

Q. And you have something like 70,000 over there at San Antonio on your relief rolls?

A. Yes, sir.

Q. Then the number of people you have on the relief rolls would be almost as large as the City of Austin?

A. Yes, sir.

Q. You have a commissary?

A. I have two of them.

Q. What do you keep in those commissaries?

A. Well, different things.

Q. Well, dry goods, groceries and meat?

A. Groceries.

Q. Do you keep any dry goods?

A. No.

Q. And you have to furnish an order on deserving people who come to your relief headquarters for supplies before they are issued to them at that commissary?

A. Yes.

Q. You have two of those commissaries?

A. Yes.

Q. Do you keep any drugs in those stores—those commissaries?

A. No, sir, the hospital handles that.

Q. You have charge of that, under the administration there?

A. Yes.

Q. Now then, when a person makes application to your organization there for relief, for groceries or anything at all, before you can administer to him, before you can feed a hungry man there, do you have to have someone to investigate them to see whether or not they are worthy?

A. That is assumed to be the procedure.

Q. These 70,000 that you have on your relief rolls over there you feed part of them all the time?

A. Yes.

Q. In addition to having that 70,000 on your relief rolls that might come to you at times, for help, you also have soup houses?

A. Yes.

Q. How many?

A. I have got two.

Q. Two soup houses?

A. I have three soup houses—I had four, and I consolidated two of them.

Q. You have three soup kitchens.

A. Yes, sir.

Q. Sometimes a great many people go there to be fed three times a day?

A. Yes, sir.

Q. You also have a hospital there?

A. Yes, sir.

Q. What kind of people and what kind of people do you have in the hospital—do you have all kinds—anybody who comes in sick?

A. Yes, sir. I have been operating that hospital for quite awhile.

Q. That was before you went in in charge of this work as chairman of this relief work?

A. Yes, sir. I was responsible for that hospital being started.

Q. And since you have been over there connected with this relief work, you have taken care of that hospital?

A. Yes, sir.

Q. You treat all kinds of people there?

A. Yes, sir, and if they are not able to come to the hospital, we have doctors who go to visit them.

Q. About how many people do you treat at that hospital during a month?

A. In addition to that hospital—we try to run a clinic in connection with it—we have treated something like 150,000 people. During that time, we have had 12 deaths there.

Q. Now after that—in addition to your commissaries, and in addition to your soup houses, you have got houses where you sleep people—where you let people sleep?

A. Yes, sir.

Q. You have people in charge of that all the time?

A. Yes, sir, all the time.

Q. Now did it ever run through your mind about how many grocer clerks that it would take to—that you would find in the City of Austin,

to wait on the people who go there for groceries—take up the list of groceries that would come in to the grocery stores here in Austin—had you ever run through your mind the number of people who would be required to wait on the people in the grocery stores here?

A. No, sir, I never have.

Q. Don't you think that it would require a good many more than you have engaged in that work over there, and on your payrolls?

A. I should think so.

Q. And it is but natural that where you are dealing with so many people that you are going to have some dissatisfaction—the people who are in business can not always have the kind of employees who will give entire satisfaction to all of their customers—

A. Yes, sir.

Q. When a person comes to your commissary there for supplies, do you wait to have them investigated before you furnish them supplies, if they are hungry, do you wait to find out whether they are worthy?

A. They do not go to the commissaries until they have been entered at the headquarters and they are given an order on the commissary.

Q. When an application is made, for relief, do you wait until the worthiness of that applicant is first investigated by one of your case workers before he is given any relief?

A. No, sir.

Q. They get relief first and then they are investigated to see whether that relief should be continued or not?

A. That is right.

Q. And you have people out investigating these cases, and working them up as rapidly as you can, and that takes a great deal of time to do that, and those people are working on that all of the time?

A. Yes, sir.

Q. And you have some one in charge of the soup kitchens all of the time?

A. Yes, sir.

Q. And people in charge of your cot houses, or sleeping quarters all the time?

A. Yes, sir.

Q. And you have to have people to go out to these homes and in-

vestigate these individual cases, these hundreds of cases that come to your attention, and who are put on the relief rolls?

A. Yes, sir. We also have some wood camps. I have four wood yards.

Q. That you operate?

A. Yes, sir.

Q. And you give wood to the people that are not able to buy it?

A. Yes, sir. I have about 1,000 cords of wood.

Q. Now, in regard to your appointment over there. The county judge nominated you for this place?

A. Yes, sir.

Q. And the mayor of San Antonio recommended you?

A. Yes, sir.

Q. The Commissioners' Court of San Antonio, of Bexar County recommended you.

A. Yes, sir.

Q. And you have been recommended by some of the civic organizations of that county and city?

A. Yes, sir, and the Democratic club recommended me.

Q. You went in down there as a man practically without experience in matters of this kind, at the head of an organization that is charged with the administration of relief to these thousands of people, and you have been there now about a month and a half?

A. Yes, sir.

Q. And during that period of time that you have been down there you have reorganized the whole relief organization?

A. Yes, sir.

Q. And where things you saw there ought to be changed, you tried to change them?

A. Yes, sir.

Q. You have undertaken to do the thing in the best manner that you could, in order to administer the relief that was needed there?

A. Yes, sir.

Q. You have not had a chance to look over the personnel, or check the personnel over there in San Antonio and check up and know everything that is going on?

A. No, sir.

Q. You have been pretty busy getting the job done and in the supervision of the relief work there?

A. Almost day and night.

Q. You know that you have done

what you thought was right and the best thing to do, whether it was right and pleased everybody or not?

A. That is right.

Q. You have been there about a month and a half now under this new set-up?

A. Yes, sir.

Q. You have not been in there long enough to be familiar with the people who are working there?

A. No, sir.

Q. You have a man at the head of the employment department?

A. Yes.

Q. In other words, you have no time for anything much except to have a general supervision over the whole organization?

A. No, sir. In the process of the setting up of this reorganization, it has been necessary to make various changes. Another thing that I would like to mention is that we had to get men to do a lot of work and wanted to put men to work. I have had men to go out to the army post and tear down buildings and set up these commissaries in the different districts of the city, in order to make it more convenient for the people who are entitled to supply orders to get their supplies without having to go so far to get them. I have built those out of the scrap lumber on vacant lots with the unemployed, and we have nine of them established. That decentralized the main office where there were five or six hundred all day long standing around.

Q. In other words, five or six hundred people trying to get into the central office, so that workers could not attend to them, and these were established where men could go and get their permits without having to go to the central office?

A. Yes, sir.

Q. And you have accomplished that—you have accomplished all of that within the month and a half that you have been in charge of that work?

A. Yes, sir.

Q. Well sir, I think that you have done a wonderful job, and I want to compliment you on the work that you have done.

A. Thank you, sir.

Chairman Purl: Any further questions of this witness?

Senator Stone: May I ask the witness one question?

Chairman Purl: Go ahead.

Senator Neal: What I want to ask you is whether or not you think the commissioners' court of Bexar County would do a better job of administering relief if this twenty million dollar bond, any part of it, is issued by the Legislature, than the present set-up is in position to do?

A. Well, Senator, pardon me, I do not know. I do not know whether the county commissioners' court of Bexar County would be in better position to handle the distribution of this relief money, than the present set-up or the set-up under the old administration. I believe, however, that it would be wrong to put people who are office holders to handling these funds in the local communities. I believe you will get the job done better with private individuals under proper supervision.

Q. Do you believe there would be charitable or civic organizations in San Antonio and Bexar County who could handle this relief work at a minimum of expense?

A. I will answer you in this way. It is not a question of who does it. It is not a matter of who is doing the work, just so it is done.

Q. You do not think then, that the funds should be administered by politicians, or anyone who is holding a public office?

A. That is right, lady.

Chairman Purl: Any other questions?

Senator Woodward: I would like to ask just one or two other questions.

Chairman Purl: Go ahead, Senator.

Senator Woodward: As a matter of fact, regardless of whether the county or the city or who it is that handles this fund, there is a certain amount of organization that must be necessary to get this job done, and a certain amount of expense incident to it?

A. That can not be helped. Senator, there are going to be discrepancies and mistakes in the handling of work of this kind regardless of who does it.

Q. And it cannot be helped?

A. No, sir, it can not be helped.

Q. An there is going to be dis-

satisfaction and complaints from those who may be disgruntled?

A. No matter who does it, they are going to make mistakes, and there are going to be those who will complain. Jesus Christ could not satisfy and please everybody.

Q. They crucified him?

A. Yes, sir. And I am not trying to beat His record.

Q. Your organization has received a lot of money, the exact amount you do not know, but there are people here who can answer those questions?

A. Yes, sir.

Q. And the way those matters of finance have been handled can be explained by people who are here and who have charge of that?

A. Yes, sir.

Q. And what you are trying to do there is to get the job done and furnish the relief that is needed there? Is that correct?

A. Yes, sir, that is what we are trying to do.

Q. I want to say to you now that what we are trying to do is to get this relief administered to the people who are worthy and who need the relief and I think that you have given us some very valuable information that will help us in formulating plans to that end.

Chairman Purl: Any further questions?

Mr. Westbrook: I would like to ask one or two questions, Mr. Chairman.

Chairman Purl: Proceed—

Colonel Westbrook: When we had that conference, and went over the matters when you were over here, we discussed those recommendations, and I believe that you showed me a recommendation from the Mayor of the City of San Antonio, and from the county judge, and the commissioners' court, and from various labor organizations in Bexar County, and at that time I discussed with you the necessity of keeping this relief work organization out of politics, did I not?

A. You did.

Q. And I believe that the point was made that the Mayor of San Antonio was the leader of one political faction, and the county judge was the leader of another faction in the county, and you had the recommendation of both those?

A. Yes, sir. Those two gentlemen are the heads, you might say, of two different political factions there.

Q. And by reason of having the recommendation of both of those leaders of opposing political factions centered on one man, it looked like that the political factions were unified on the one man and that it would not enter into the administration of this relief work—that was discussed between us and that was the position that I took?

A. That is right.

Q. Also I discussed with you your experience as a member of the old commission over there?

A. Yes, sir.

Q. You had had somewhat of a local reputation as a grievance man for some of the labor organizations and among the labor men in things that they wanted to do, and you had had close contact with them, and I felt that you could interpret their desires and needs, and I told you so?

A. Yes, sir.

Q. Now I believe that you said this morning that you were receiving a salary of \$190.00 per month as President of the Brotherhood of Railway Trainmen?

A. I said that my salary as engine foreman was about that.

Q. That you also received fourteen dollars per day when you served on this grievance committee?

A. That was right.

Q. About what was your average income prior to the time that you were made the head of this work over there?

A. Well, that would be difficult to say. Sometimes it would run more than others. Sometimes it would run as high as three hundred dollars, and three hundred and fifty and four hundred dollars per month.

Q. Well, would three hundred dollars per month be the average of your income prior to the time you took this job?

A. Yes, and no. It would vary. I received a small salary in being head of—being President of the Brotherhood of—

Q. Now at the time I sent Miss Kolling over there, you remember that, don't you?

A. Yes, sir.

Q. I told you I was sending her over there to get your case workers department organized.

A. Yes, sir.

Q. But that you were the boss, did I not?

A. Yes, sir, you told me that I was the boss.

Q. I told you that if you could not get along with Miss Kolling that I would transfer her?

A. Yes, you have told me that several times.

Q. Now you spoke of a lot of dissatisfaction over there, Mr. Alsbury—you also said that there was going to be a riot over there if things were not changed.

A. That was my opinion.

Q. Did you communicate that information to me?

A. Well, I have no definite recollection—I do not know that I have any definite grounds on which to base that. I would like to explain that situation. I do not believe that I told you; I told you last week about a little lady over there and I told you then you told me, as I recall it, that if it was not one it would be another.

Q. That is right.

A. I understood from you that the Federal rules and regulations were such that it had to be that way, that it had to be carried out that way, with all due respect to them.

Q. I also told you, Mr. Alsbury, if you could not get along with Miss Kolling, I would transfer her and send somebody else over there, but my orders were that we had to put in these relief workers?

A. Yes.

Q. I told you that that was the orders that I had received?

A. I believe you did.

Q. You are not short on money over there, are you?

A. Yes.

Q. Have you made any request for funds that have not been complied with?

A. We have got a request in now.

Q. Have you made any requests for funds that have not been complied with?

A. No.

Q. Now, Mr. Alsbury, I think that you are going to do a good job over there and are getting this situation well in hand and the program is getting under way. I do not want to embarrass you by these questions, but I think that you are doing fine over there. There is one thing that

I do not think has been asked you about that I consider to be extremely important. You know that the organization over there is more or less under fire. There has been considerable criticism of the expense of operating and administering the relief over there in Bexar County as compared with sections in North Texas. I think that you should state to this committee what you did in connection with the hurricane sufferers in the valley—is that proper, Mr. Chairman?

Chairman Purl: Yes, sir, go ahead—

A. I want to say, gentlemen, that probably I violated the letter of the law, and the rules and regulations in connection with the situation in the valley. However, I have no apologies to make for that. I sent something like 9,000 dollars worth of groceries and five thousand dollars worth of medicine, by two special trains, into the valley. I had a call from the Mayor of San Antonio that the people in the valley were in very destitute circumstances. The Mayor of Harlingen requested the Mayor of San Antonio to get as many doctors and nurses and send them there immediately; that there was hundreds of people suffering; we got on the radio and got hold of a lot of unemployed on September 16th, and tried to get action; and we sent them down there; I did not take time to investigate them, and some of them were probably not the kind of folks that should have been sent. But I loaded those two trains with two and a half days rations of meat and bread and groceries, and sent them to the valley. I have letters from the mayor and chambers of commerce showing their appreciation of what has been done—I did not have time to get any instructions as to what should be done in the matter.

Q. You got the job done—that was what you were after?

A. Yes, sir.

Q. A large part of the expense, a large part of the money that was sent to Bexar County was used for food and clothing and necessities for those people who were suffering, and you did not wait for instructions from any one?

A. That is right.

Senator Murphy: Did you take that up with Colonel Westbrook?

A. That was late in the afternoon, and I called his office and got instructions that he was in Washington and I could call him there. I did not wait to phone to Washington. I just did it. Regardless of the strict letter of the law, I did what I thought was my duty.

Senator DeBerry: There is one or two questions now that I would like to ask you. Something has been said here about getting relief funds. Since you have been the administrator of the relief work in Bexar County, have you asked for any funds and did not get them?

A. Whether I have asked for any funds, requested any funds and have not got them—I have been short on account of the circumstances I have related. I was short on account of the circumstances of sending the food and clothing to the Valley.

Q. Have you been getting enough money to meet the requirements of those needing relief down there?

A. No, sir.

Q. Why didn't you ask for more?

A. Well, I do not know. We have asked. I do not think that we have been allowed our full requirements. I know that I am running short this month.

Q. You said to Mr. Westbrook that if something was not done there was going to be a riot—what is all the shooting about?

A. Senator, men don't want to eat—they want work.

Q. I know that, but what is all the talk about riots—don't you have enough money to run that thing down there and feed these people?

A. It is not so much getting something to eat—they want a job—they want to go to work.

Q. I just want you to answer my questions. I don't know whether we can go out and find jobs for all of these folks or not. Are you getting enough funds down there to give these people relief—to feed and clothe them—to see that they have something to keep them from going hungry—are they being fed—are they getting fed or not?

A. Yes, they are being fed, in a way.

Q. You have got all the funds that you have asked for and yet you say that there are folks there who are hungry—now then, if you have got all the money that you have asked for, why don't you feed them?

A. I have not asked but one time, Senator.

Q. Well, why didn't you?

A. Well, that was in the month of September. I have been administrator there since August 18th.

Q. Have you complained to Mr. Westbrook up to this day that you have not been getting enough funds there to take care of the relief?

A. I made mention of the fact that I was going to have to have some more money. This new re-organization that we are going to have is going to require more money.

Q. That is what I am getting at. What I am trying to find out about is what is going to bring about this riot that has been talked about here, is it because they are not being fed, or because there is so much delay in getting relief to the needy—Isn't that what the trouble is about—there is so much red tape that it takes too long to get the relief to the people who are needing relief?

A. Well, I do not know.

Q. Isn't all that trouble down there because they are not getting fed—they are not getting the relief—

A. Well, there are several reasons. I do not know.

Q. You do not know anything about it. I am asking you the question. I am asking you the question as the head of the organization down there—we have had an organization set up here and I do not think that we can go on and on and on feeding people over there or in other parts of Texas, and keep giving them relief—somebody has to pay for that—

A. I believe that it is the economic condition that is causing the dissatisfaction.

Q. Now, you seem to think that maybe violence is going to be had or that you are going to have a riot in San Antonio. What I want to know is, isn't that because those hungry people down there are not being fed—because you can not get the food to them, that there is too much welfare and social work being done and not enough attention being paid to getting these folks fed?

A. No, sir; any body can get food if he needs it. We are feeding lots and lots of people. I do not believe that any hungry man that we know about has been turned away in San Antonio. He is always able to get something to eat when he comes for it.

Q. That is not what a lot of San Antonio people tell me.

A. I do not believe that.

Q. But you do think that if you could get enough money to feed them, the people who come to your organization for relief, that you could keep from having a riot?

A. I believe that you are going to have employment along with feeding them.

Q. You do not think that if a man is getting enough food and is not given work to do that he is going out and start a riot—that he wants to fight if he is getting plenty of food and don't have anything—don't have any work to do?

A. I do not know. I can just see what I believe is ahead of us.

Chairman Purl: Any further questions—

Senator Rawlings: Is not a great deal of the dissatisfaction caused by the way Miss Kollings handled some of the cases there in San Antonio—the way she and her assistants handled that?

A. Yes, sir; I would say that it was, more than the other situations that prevail there—it seems to be a matter of local dissatisfaction.

Q. Generally speaking, don't you think that has a tendency to slow up the matter of giving relief, and many of these people thought that they could not get relief?

A. That is right.

Q. And that has caused a great deal of the dissatisfaction there?

A. Yes, sir.

Q. She is trying to convert those hungry men instead of feed them?

A. I do not know about that—she is perhaps too lenient. If I understand the Federal regulations, they must be investigated within three days after they have requested relief. But that can not be done in San Antonio, because we do not have the organization there to do it—we do not have the case workers—it would take several times the number that we have now to do that.

(Witness excused.)

Chairman Purl: Who will you have next—

Senator Woodward: Mr. Chumney. I believe is here.

Thereupon, W. T. Chumney, being duly sworn to tell the truth, the whole truth and nothing but the truth, testified as follows on examination by

Senator Woodward: Mr. Chumney,

are you the auditor who prepared this report?

A. Yes, sir.

Q. Did you examine the report that had been filed at the request of Mr. Westbrook?

A. No, sir.

Q. You do not have that?

A. No, sir.

Q. You have never seen it?

A. No, sir.

Q. You do not know whether it is correct or not?

A. No, sir; I have not seen that—I have seen the books from which it was prepared.

Q. What do you mean by the statement that you do not know whether that report is correct or incorrect?

A. I have not seen the report.

Q. Are you a certified public accountant?

A. Yes, sir.

Q. And are you in the employ of the commission?

A. Yes, sir; I would say in a way.

Q. Did you say that you were or were not in the employ of the San Antonio relief commission?

A. I am, in a way. I have general supervision of the auditing of the books there.

Q. You supervised the audits—all the audits of the San Antonio-Bexar County Relief Administration books?

A. I did not do all the work myself.

Q. When did you commence this audit?

A. About the 10th of September.

Q. This audit is for the month of August?

A. Yes, sir.

Q. Had you previously made a report for the month of August?

A. No, sir.

Q. Well when did you make the July audit?

A. I made that shortly after the end of July—at least started it. I can give you the exact date. It was completed, I do not recall just when it was completed—I believe it was completed September 5th—and typing started.

Q. What was the occasion of the delay in starting the work on that—in getting started on that audit?

A. There was no particular delay. There was no particular delay on account of the fact that it re-

quired some time to get the records complete in the office for the previous month before the audit could be started.

Q. I believe that you had completed the July audit after working five days on it?

A. No, sir. The July report under that date line, it was completed September 5th.

Q. It took a few days in the month of August and up to then to complete that.

A. As I explained awhile ago, we did not start these reports—these audits immediately after the close of the month, but it was necessary to wait for these reports to come in before the audit could be begun—the July reports would not all be in on the first of August.

Q. Did it not take you the whole month of August and five days of September to make the July audit?

A. No, sir; I did not say that. I do not recall now what time during the month of August was consumed in the preparation of the July report. I believe that we began on that about the middle of August.

Q. Well, then, when did you start on the August audit?

A. That was on the 8th of September, or the 10th of September.

Q. And that was completed on the the 25th of September?

A. Yes, sir. As a matter of fact our work was completed on Saturday the 23rd.

Q. Now I wish you would take this report and I will get you to turn to it and tell the committee what your report—what your audit shows is the administration expense for the month of August?

A. \$43,092.54.

Q. What do you find to be the number of employees who are paid?

A. You mean the administration employees?

Q. The total number of employees?

A. Well, I do not know, because the total employees are relief workers, and administration personnel. The relief workers change from time to time. All of the people that work during the month of August on work relief were not on the payrolls at any one time.

Q. Did you have before you at the time you made the audit a list

of the people whom were classified as employees?

A. Yes, sir; we had the payrolls—paid out from the payrolls.

Q. Then do you make any distinction between administrative expense and other expenses?

A. Oh, yes. If a person is a relief subject, had applied to the Bexar County Commission for relief, and had had a relief card made out, and had been investigated by the welfare department and certified as being entitled to relief, then he is put on work relief. Then if it is for the administration of it, if he is not head of a department or permanently employed, without regard to his needs as a relief subject, then he is classified as administrative expense.

Q. Now in arriving at the names and the total amount of money paid them, you had before you a list of the persons, didn't you?

A. We had the payroll from which they were paid.

Q. Now, I have before me the report of Mr. Westbrook, which has been testified to as having been based on the report made by the San Antonio administrator, and shows Tex Alsbury as administrator?

A. Yes, sir.

Q. Was that administration expense?

A. Yes, sir. I would think it should be.

Q. We are not alking about the records—we are talking about what this report shows—

A. I would think that he was properly classed as administrative expense.

Q. He was paid a salary of \$300.00 per month.

A. Yes, sir.

Q. K. S. Wendler, appears there as assistant administrator, at a salary of \$225.00 per month.

A. That was properly classified, I should say.

Q. The next is D. P. Bishop, secretary to the administrator—that is properly classified as administrative expense?

A. Yes, sir.

Q. The next is Mrs. F. B. Ridge, chief clerk, \$100.00 per month—is that administrative expense?

A. Yes, sir.

Q. Now then, in order to expedite this, I will call these names, the salary they get, and the position they

show on the list, and if they ought not to be administration expense, let me know.—This gives a list here of the different positions which they hold and the salary they are drawing:

Mrs. Hazel Ball, assistant secretary, \$80.00 per month.

Dr. J. W. Fennell, medical examiner, \$100 per month.

Viola Bagley, stenographer, \$64.13—I

A. I do not think that \$64.13 should be charged to administrative.

Q. You do not think that that should be administrative expense?

A. No, sir.

Q. Why should not that be administrative expense just as much as the chief clerk?

A. Because she was not supposed to be on permanently—just temporarily employed.

Q. I am not asking about reasons—I am asking about what this report actually shows—what these records show?

A. She was a relief subject. Has always been a relief subject.

Q. Then if she was a relief subject and was getting \$64.13 per month, that should not be changed as administrative expense?

A. No, sir.

Q. Do you draw a distinction between a person drawing \$100.00 per month as chief clerk, and stenographer who is drawing \$64.13 per month in that case?

A. Yes, sir.

Q. Why did you do that?

A. Well, because one was a relief subject and the other was not.

Q. One of them was drawing \$100.00 per month and the other \$64.13.

A. As far as I am concerned, in making an audit showing the expenditures, I am not concerned whether it was relief work or whether it was administrative.

Q. In other words, then, if I understand you, you classified this administrative expense only those who are receiving a salary or pay for their services and had not filed a relief card?

A. No, sir; some of those people on the administrative expense roll had filed cards filed with the Bexar County organization and were put on the relief rolls, but they were supposed to be supporting others who

had to be placed on the relief rolls. So in giving them employment, they were competent to do the work, we were taking care of their needs and the needs of others who were on the relief rolls who were dependent upon them and known as relief subjects.

Q. All right, then. If you have a subject on the payroll over there whom was being carried on the relief rolls, that was a part of the administrative expense, and yet if he had signed a relief card and was being paid \$64.13 per month for services performed, that would not be carried as a part of the administrative expense. Now your figures here in the report that had been made to this committee by Mr. Westbrook shows something like four hundred or from hundred and fifty on the administration rolls over there, employees, and the report shows a total amount paid out for administrative expense of \$18,035.18. Now, as a matter of fact, if this report is correct as to name and amount, and I have no reason to question that, then it is taking \$18,035.18 during that month to get the job done in Bexar County?

A. I do not know what the various people on the payroll were doing.

Q. Welfare case workers, for instance, auditor, assistant auditor, audit clerk?

A. They are all on the administrative pay roll.

Q. Mr. C. B. Spence gets \$64.13. Was he on the administrative payroll?

A. Why—

Q. Mr. C. B. Spence, he was audit clerk and got \$64.30. Why was he on the administrative payroll?

A. I am not sure he was.

Q. According to this report he was. Here is a stenographer who drew \$64.13. That should not be on the administrative payroll according to your idea?

A. I think it is a relief subject where they were being sent to work in some part of the relief organization; whether they were cleaning out the river or working in some part of the relief organization they were performing made work in the relief service.

Q. In cleaning out the river they were not doing any part of administrative relief?

A. No.

Q. Eppel, clerk, he got \$64.13. Was he kept on the administrative work?

A. I don't think so.

Q. You don't think so?

A. No. Those people were not employed and put on the administrative payroll because they were particularly competent for that job, they were put on there because they needed the work and had been approved as a recipient for relief by the Social Welfare Department.

Q. Did they need any audit clerk over there in the administration of those affairs?

A. Yes.

Q. Then if they have got one there at \$64.13, it is that much expense?

A. It is that much expense. In the month of August those employees were not rotated as much as they had been in prior months, and that audit clerk probably had been on there before, in the month of July only two weeks, he may have worked only two weeks during the month of July.

Q. I am talking about the month of August. This report shows that during the month of August, Mr. E. R. Brooks was audit clerk and he got \$64.13.

A. All right.

Q. I don't know where he was in July or September or any other month. I am not talking about the month of August. Do you think that audit clerk was necessary in August?

A. Some things I believe are necessary, yes, sir.

Q. Whether it was Mr. Brooks or Mr. Jones, somebody had to do that work?

A. It has always been done.

Q. It was necessary to do the work in order to administer the affairs there, and he was paid \$64.13, which was an expense connected with the administration of the affairs, wasn't it?

A. Yes, sir.

Q. And it was a necessary expense?

A. Yes, sir.

Q. All right, here is a chief filing clerk who got \$70.00 a month. Was that a necessary piece of work to be done?

A. I don't know whether that was the nature of his employment.

Q. I am not asking you about that. Do they need a filing clerk?

A. Yes, they need a filing clerk.

Q. Is that a part of administration affairs, in connection with administration affairs?

A. It is a necessary job.

Q. All right, he got \$70.00 a month. Should that not be classified as administration expense?

A. It depends on whether that subject was a relief subject, whether he is entitled to that amount of relief.

Q. I am not taking about the person. I am talking about whether it was necessary to efficiently manage the affairs of that organization.

A. I would so consider it.

Q. Whether he got it or not, it was an expense regardless of who the man was?

A. Yes, sir.

Q. Now, why wouldn't you classify that as an administrative expense?

A. Simply because he was a relief subject entitled to that amount of work as a relief subject.

Q. I want to understand you, whether you are correct or not about it; I don't know whether you are or not. If you run across an employee on the payroll whom you classify, have him on relief work, regardless of what he does, you don't classify that as a cost of administration?

Q. Then your opinion is that if it was not a necessary position in order to adequately administer the affairs of the office, it was not a cost of administration?

A. That is right.

Q. That is the distinction that you made?

A. That is right.

Q. And as an auditor you just made an arbitrary distinction?

A. That is right.

Q. Whether you are right or wrong about it, that is your method of doing it?

A. Those reports have always been made that way.

Q. If somebody who has the right, has the authority to say whether it should be an administrative offense or not—

A. As far as my reports are concerned, I reserve the right to say if I think they are properly charged.

Q. Have you got a report of those whom you classify as employees over there in the adminis-

tration of the affairs; did you or not include any administrative expense?

A. I don't have that.

Q. You don't have that?

A. There is a record over there in the files of the relief commission.

Q. We have got that. I mean did you make up a list yourself?

A. No.

Q. So if this report is correct as to the names and if it is correct as to the positions they held, and as to the amounts they received, now, assuming that is correct as to the names and positions they held and the amounts received, if the services they performed were necessary services in connection with the administration of the affairs down there, then the total of \$18,035.18, then to say that is administrative expense would be correct, is it?

A. That is right.

Q. So the difference between this report and your report, assuming this to be correct, is that you have eliminated these various employees, the amounts that they received because you did not consider that an administrative expense for the reason that they have signed the card saying that they needed help?

A. No, I don't say that because they were qualified for relief; the case workers had certified them as being a subject for so much work, whether it be in the office or whether it be in the river.

Q. If it costs that much money to run the affairs of the office, whether the subjects—

A. That is handled in the office, you understand.

Q. When I say office, I mean those connected with your office, who are working at the office in connection with the administrative affairs.

A. That is right.

Q. I am not speaking of the man who is pulling weeds, but I am speaking of the man who is foreman over the men who are pulling weeds.

A. In that list you have got there, there may be some people who did pull weeds, I don't know.

Q. It doesn't show here; it says, "relief workers, audit clerks, clerks, filing clerks and things of that kind. It doesn't show any weed pullers or wood choppers or anything of that kind.

A. All right.

Q. Get your audit, please sir, and state how much money was received during the month of August.

A. \$64,964.78.

Q. And how much was on hand on the 1st of August to be added?

A. \$118,601.55.

Q. They had on hand on August 1st \$101,000—

A. On August 1st, \$118,601.55.

Q. And they received in addition to that \$64,964.78?

A. Yes, sir.

Q. Which made a total of how much?

A. \$183,566.33.

Q. How much?

A. \$183,566.33.

Q. How much of that was spent for all purposes during the month of August?

A. \$139,531.12.

Q. And if you are correct in your interpretation of your distinction between those employees, how much of that was administrative expense?

A. \$4,392.56.

Q. And if the other interpretation is correct, it would be \$18,000 and something, assuming that this report is correct.

A. That is right.

Q. What is the amount taken from the commissary during the month of August?

A. How much of what?

Q. What are the figures in dollars and cents expended or taken from the commissary during the month of August?

A. \$65,601.36.

Q. How much was expended for direct relief, that is, money paid as a dole, we will call it?

A. Direct relief?

Q. Yes, sir.

A. \$27,011.20.

Q. That with the commissary is how much?

A. Well, some of that is from the commissary.

Q. Did the commissary issue money?

A. No, you asked for direct relief.

Q. Well, I wish you would state the sum that was from the commissary. In order that we don't misunderstand each other—

A. Direct relief may be either issued from the commissary or cash disbursements, either one.

Q. All right. In order that we don't misunderstand each other, I will ask you this. What does your report show as the amount that was taken from the commissary, that is, in dollars and cents, whether it represents food or money, whatever you want to call it?

A. Well, that is \$65,601.36, the figures that I gave you awhile ago.

Q. What other sums were expended besides items of expenditures down there?

A. In addition to that \$139,000 I gave you a minute ago?

Q. I am trying to get back now to the beginning. I am trying to total up the expenditures. I want you to state to me, if you can, the itemized expenditures down there.

A. Well, \$139,000, Senator, will just about cover it, because included in that \$139,000 are bills for purchases of food that went into the commissary, and after they went into the commissary, they were issued to various places.

Q. What I want you to do now is to itemize to the committee the amounts of money, for various purposes, which was expended during the month of August. What was it paid out for? That is what I want to know.

A. Well, there was \$103,390.74 paid out for direct relief.

Q. Now, what do you mean by direct relief?

A. Well, that is split up into several departments. That is for work relief, I beg your pardon.

Q. That is work relief?

A. Yes.

Q. Where do you find that, on what page?

A. It is Section B, Schedule 3.

Q. Schedule B?

A. Section 3; it is about the fourth sheet.

Q. \$103,394.74?

A. Yes.

Q. That was for work relief?

A. Yes.

Q. What do you include in work relief?

A. Well, that was people who worked on projects, you see.

Q. Have you got your work sheet to show how you arrived at that \$103,394.74?

A. No, that is taken from the records of the Central Relief, you see.

Q. You have just got totals here.

A. What is that?

Q. You have just got the totals here.

A. All right, it is itemized in the schedule, Senator, in that same section; it is classified on the schedule.

Q. Classified don't mean anything to me. I am talking about the items. For instance, you list here "Work Department."

A. All right.

Q. "\$39,005.64."

A. All right.

Q. What are the various items that go to make up this \$39,005.64?

A. Payroll.

Q. Where is the payroll?

A. It is over here.

Q. You have got it here?

A. Yes, sir.

Q. You have listed "Commissary Relief Stations, \$52,866.81." What have you got to show that that makes up that total?

A. Where did I get that figure?

Q. Yes, \$52,866.81, Commissary Relief Stations.

A. That is issue orders on the commissaries that were chargeable to work relief. In other words, where a man was paid partially in cash and partially in groceries, or maybe entirely in groceries, he worked for that money. He had so much coming to him as compensation for two days work coming to him.

Q. Where are the records that we might examine them and see whether you were correct in saying that commissaries and relief stations expended \$52,866.81?

A. They are over there in the files.

Q. They are in the files?

A. Yes. The issue cards on the commissaries are not here, however.

Q. You have "Orders on grocery stores for work relief, \$2,022.70."

A. Yes.

Q. Have you got those here?

A. I don't think so. In that subpoena we were asked, as I recall it, to furnish a record of the moneys expended. We brought along the records of cash disbursements for purchases of all the food that went into the commissary and of all the payrolls. We didn't bring the records of the issue orders from the commissary.

Q. How much money was on hand on September 1st?

A. \$40,503.43. That is wrong, I beg your pardon, I would like to correct that. It was \$44,035.25 on hand on September 1st.

Q. Will you give me again the total amount received, plus the amount on hand on August 1st?

A. \$183,566.33.

Q. And you had a balance of \$44,000—

A. \$44,035.25.

Q. And your total expenditures, \$139,531.12 during the month of August?

A. Right.

Q. Have you a record showing the number of persons listed as of September 1st?

A. All employees?

Q. Yes, all employees.

A. I do not recall—I only had the record of the people on the payrolls or office rolls.

Q. You did not make a separate record of those—you did not separate them—you would just take that from their books?

A. I would not make a separate copy of the payrolls and all other records—

Q. You just used their records as your work sheets?

A. We verified the records and totals and drew our conclusions from that.

Senator Small: You say that where a man has made out a card, and has heretofore received relief, that regardless of what salary he might receive and what he might do, so long as he is not permanently assigned to that, that is not charged to administrative expense?

A. I would consider that he was then a work relief subject and was not on the payroll of the commission, then he would not go on administration payroll regardless of what he was doing.

Q. And regardless of the present condition of that person, whether he was a relief subject or not, you would still not charge that up to this administrative expense?

A. Because that subject would be on the relief rolls during the month. Maybe he might be working in the office or he might be out doing some other kind of relief work during the month.

Q. So that in one place he would be drawing fourteen dollars per week, and in the other maybe fifteen or twenty-five.

A. Still he would be classed as work relief regardless of the kind of work he was on. He would draw fourteen dollars and eighty cents per week, while, up to the first of August, he was on that class of work.

Q. Then, if Tex Alsbury, the county administrator, had filed a card as a work relief subject, and then was carried on the payroll at \$300.00 per month, would that be administrative expense, or just what would it be?

A. I should certainly think that it would be administrative expense if he was directing the organization under the present set-up and the rules and regulations covering it.

Q. But you have some persons in the same position, you might say, in similar positions in San Antonio and Bexar County on the payroll there—the same status who are carried on your rolls, your relief rolls, as stenographers, and doing that kind of work, then that should not be, according to your idea charged up as administrative expense?

A. Provided the compensation that person was drawing was commensurate with the need of the relief subject. Now, it is true that perhaps some of those subjects were paid more during the month of August than the relief cards called for as meeting their necessities or than their necessary requirements called for?

Q. Let me try to put it to you this way—here is Tex Alsbury, he has one character of financial status—and here is another person, who is in another financial status—that is one situation. Both of them are broke—destitute—the two men get on the relief rolls. Both of them have signed a card in accordance with the rules and regulations to receive relief. In the month of September, Tex Alsbury comes in here as Relief Administrator for Bexar County. The other party also comes in as a filing clerk—now, do you mean to tell this committee that while the administrator's salary would be charged up to administrative expense, the work of this filing clerk would be charged up, not as administrative expense, but as work relief?

A. That is right, provided—

Q. Provided what?

A. Provided that the second party, the filing clerk, was not employed permanently. The filing clerk would not have permanent employment, but would be carried as temporary employment to take care of his or her requirements. Now that \$300.00 per month paid to the administrator is not fixed according to what his needs might have been in the month of July or August. He was paid a salary of \$300.00 per month and he became an administrative subject. Now, when that filing clerk was put on, or any other person was put on, as a filing clerk at \$100.00 per month, or at \$80.00 per month, as a permanent employee, he would also be listed as an administrative expense, but if he was not put on permanently, but was still entitled according to his needs to two weeks work, or to work relief, according to his relief card, when he worked those two weeks, or worked maybe three weeks, in the office as file clerk, he is still on the relief work, and has not been removed from the relief work, because the position which is held by him is not permanent—he is not on the permanent relief—permanent payroll.

Q. Well, I may be dense, but I cannot see the distinction; there is no difference so far as I can see. You heard Tex Alsbury when he made the statement that since he had taken things over down there—let me put the question to you this way, Tex Alsbury was drawing a salary of three hundred dollars per month looking after the duties as administrator and yet that filing clerk is drawing fourteen dollars per week and would probably from the standpoint of efficiency be just as efficient in handling this job—would be just about as good as he is.

A. I am not called on to check the efficiency of these relief subjects.

Q. I am not saying this in any criticism of Mr. Alsbury, but don't you think that would be a rather large order—you heard the questions of the witness that was on the stand here the other day from Galveston—Mr. Gibson, I believe—you heard Mr. Westbrook question him didn't you?

A. I heard a part of it.

Q. As to the line of objections that were directed at him in trying to keep the administration cost in Galveston down and it seems to me that is rather inconsistent with the conception you have of the administrative expense.

A. I did not hear but a part of his testimony and do not know just what he was trying to bring out what Colonel Westbrook was trying to bring out in connection with the work that was done in Galveston County.

Senator Rawlings: Mr. Chumney, you show an item of \$25,613.51 as administrative expense, what are those items composed of?

A. That is composed of everything that went into the administration work of the organization such as administrators, case workers, commissary supervision and salaries paid out to those who were on the permanent payroll.

Q. That represents salaries and other expense items?

A. Yes, sir, and if you will turn to schedule two on the next page you will see an analysis of that sixty-one hundred dollars.

Q. You say that is on the next page?

A. Yes, schedule two, section two. At the foot of that page is schedule two.

Q. I do not see it. I will ask you to show that to me if it is there. Here is the page I am reading from.

A. You have section one instead of section two.

Q. Administrative expense \$25,613.51 being exhibit "B."

A. That is the administrative expense from the beginning of the organization that have been paid out of Federal funds. You understand Senator, that in the early days of this relief service the bulk of the administration expense was not paid out of the Federal funds, but out of local funds, therefore in this early report we have very little administrative expense for the reason that the bulk of it was paid out of local funds.

Q. That does not include anything then in the way of salaries that may have been paid to persons in the administration of the funds locally, which may have been taken care of by funds paid by the local

citizens. That covers what period of time?

A. From October, 1932, to August 31, 1933.

Q. Now then on section one, exhibit "A," it shows Federal funds \$64,964.78. And in exhibit "B" in the next statement below that it shows a balance available of \$110,878.44.

A. Yes, sir.

Q. How do you reconcile that with the \$183,000.00 shown on section one, schedule two?

A. Well, if you will add this schedule one, which is the general relief unit to the relief fund available and on hand at the end of that period you will see that you had that much cash on hand at the end of that period.

Q. Do you mean that these funds on this first exhibit do not cover all of the funds on hand?

A. No.

Q. What is the purpose of that statement?

A. That was a purpose of accounting for all of the general relief funds that were spent. That was the general reserve unit.

Q. Taking your report then, you have it divided into three sections?

A. Yes, section one general relief unit, section two commissaries, and section, relief stations.

Q. Now, can you tell me what the total expense of those three divisions were, what they were incurred for in your report for the month of August?

A. You mean the total expense, including work relief?

Q. I am talking about the audit and the pooling of these expenses as shown in your audit report.

A. For all classes of work relief and administration and otherwise.

Q. Did you understand the question, Mr. Chumney? You have these reports divided into three sections, and each section is subdivided into various divisions.

A. Yes.

Q. Now, can you tell me what the total of those items for the month of August amounts to?

A. I cannot do that without sitting here and taking a pencil and figuring it out.

Q. Well, take section one, schedule one, that shows \$11,437.73?

A. Yes.

Q. The next is in the work department?

A. Yes.

Q. That is \$39,694.49?

A. Yes.

Q. The next is the commissaries?

A. Yes.

Q. That is \$5,329.30, according to your report?

A. But that represents payroll in there.

Q. You mean the commissary payroll?

A. Yes, \$5,329.30 represents the commissary payroll.

Q. The next is the relief stations, the last one, relief stations. You have there a figure of \$6,986.99?

A. Yes.

Q. What does your report then show as the total cost for payrolls during the month of August?

A. The total cost—the total payroll includes work relief and all.

Q. I am asking you what your report shows to be the total payroll, for the month of August, 1933.

A. \$63,484.08 including all work relief, administration expense and otherwise.

Q. Your report does not show that does it?

A. What is that?

Q. Your report does not show that, does it?

A. Yes.

Q. I wish you would show that to me on this payroll.

A. Well, look at that from section one, on schedule one.

Q. You will have to look at it from the way it is shown here. Section three relief station, exhibit "A," schedule two, payroll, is all it says.

A. \$6,986.99.

Q. Now, do you mean to qualify that statement, or what do you mean by that?

A. That is what the payroll was in the relief station.

Q. There is nothing wrong on that?

A. Except that it is a part of the cost of the commissaries and relief stations operation that was not administrative.

Q. I have not asked you anything about that. That is a part of the cost of administration?

A. Yes, and also a part of the cost of relief, because they are all relief subjects.

Q. That is what we are trying to find out, what is the cost of relief—that goes to make up what?

A. They are the payrolls that have on them those to whom are being given direct relief and work relief—that we are giving to relief subjects.

Q. Will you explain that to us?

A. Well, all of those include commissaries, employees at commissaries who are not regularly employed, but only temporary—every one of them except those department heads.

Q. Do you classify them to determine whether or not they are work relief subjects or otherwise?

A. We check the cards to see.

Q. What cards?

A. The relief cards.

Q. The controlling factor is whether or not they have signed a card to be entitled to that relief?

A. What I mean by that is properly approved work relief cards.

Q. And you can check the man's status by pulling a card out of that filing system and you would check your report from the name appearing on that?

A. I do not understand your question.

Q. Well, you are governed solely by the card you find in the file as to whether a man is a relief subject or is not? It does not make any difference how long he has been on the roll or what his condition is. You go look into the file and find a card that somebody has put in there? And then you put him down as a relief subject?

A. Yes.

Q. If he is a relief subject and he does work you still carry him as a relief subject?

A. Well, we also check those work cards.

Q. You follow the employee around to see whether they are working?

A. No, I did not say that.

Q. How then do you get that information?

A. We get that from the records which the foreman sends in.

Q. Have you a check of the people on your work relief rolls—do you have a time record of them?

A. We check a record—the report of the foreman in charge of that work.

Q. What kind of a report or record is that?

A. The work cards.

Q. What kind of information does that show?

A. It shows what he did—what kind of work he did.

Q. How many work cards do you check, how many cards do you have to check on your rolls to determine the number of days that a man has worked before you can compile this report?

A. We check all of those cards where anything shows to have been paid out.

Q. About how many would you say?

A. I do not know.

Q. Well, can't you give us an estimate of about how many?

A. Well, I would say several thousand.

Q. Do you do that personally, yourself?

A. No.

Q. How many people are engaged in that work with you?

A. Two besides myself.

Q. Do you check, in addition to the payrolls, the cards and work cards on each individual?

A. Yes, sir.

Q. And what period of time does that require?

A. I do not recall; we have no record covering that.

Q. You know about when you start on these reportes?

A. Well, that of course, would vary depending upon the time of the month that we get the necessary records in—I would say something like about fifteen days' time.

Q. How many of those cards approximately do you check during that period of time?

A. Well, I think during that time there was only about probably six hundred or seven hundred total employees.

Q. Then there was six or seven hundred employees whom you had to check?

A. Yes, sir.

Q. I thought you said a while ago that there was several thousand that you had to check who were on work relief?

A. Apparently I was thinking about something else.

Q. You were just mistaken about that?

A. Yes.

Q. Now then, you say you checked about six or seven hundred of those cards?

A. Yes.

Q. And those cards you say—the information on those cards is the

basis you used in the furnishing of the information as to what a man's classification should be?

A. Well, those work cards will show that a man has worked a certain number of days or has been engaged in work relief or has been given direct relief.

Q. Then if a man has signed a card you mean to tell this committee that you can pull out this card and get all the information that is necessary to make a check on this man and from that you can get all of the information and know all about him?

A. Yes.

Q. Do you know whether or not those cards are available over here?

A. I do not have them.

Q. You think there was about 700 of those during August?

A. I think so.

Q. What per cent of the 700 do you think is relief workers?

A. They are all relief work, but what do you mean by relief workers—you mean relief subjects?

Q. Do you call them clients? We have been calling them clients.

A. I don't call them clients, I call them relief subjects.

Q. That sounds like a good title. How many of the 700 there listed on these cards as relief workers were relief subjects?

A. They all were.

Q. How many did you find in the organization that were not classified as relief subjects?

A. I think there were 22 or 24.

Q. 22 or 24 that were not classified as relief subjects?

A. During the month of August were not classified as relief subjects.

Q. That is what I am talking about. We have the report of the executive department. Do you know whether any of these are relief subjects or not?

A. No, because I do not know what names appear on that.

Q. Mr. Alsbury, L. P. Bishop, Mrs. Riggs, Mrs. Fenell.

A. That is Dr. Fenell, isn't it?

Q. Dr. Fenell, Viola Bagley, Clovia Wilson.

A. I don't remember about Bagley. What was his position?

Q. You have to tell by his position whether he was a relief worker or not?

A. I have no record.

Q. Stenographer, does that mean anything?

A. It does not to me.

Q. Do you know this executive department?

A. All of those original ones until I stopped you were not relief subjects.

Q. What about Wilson, stenographer, is that a relief subject?

A. I don't know.

Q. Dorothy Walsch, telephone operator, is she a relief subject?

A. I don't know.

Q. Birdie Thomas?

A. I don't know those people by name or by sight.

Q. They are classified as relief workers?

A. In that department there are administrative workers and relief. I do not go by memory; I go by records in the files.

Q. Can you tell me the total number of employees down there to start with from the records here or otherwise?

A. By counting them. On the first of September there was a total of about 650 on the first of September I believe. I think the number during the month of August was substantially the same.

Q. You think around 650 or 700 during the month of August; can you tell me how many of those were not relief subjects of the 700?

A. About 20 or 22 I think.

Q. That is your best guess about it?

A. Those are the ones that were classified on the administrative payroll.

Q. What?

A. That is about the number we had classified as executive personnel, they were not at that time on the relief payroll; some of them had been in days gone past.

Q. One more question and I will have a quitting place. You say there are about 700 employees during the month of August. What was the total amount of money paid to those people during that month?

A. \$63,484.08; that amount is correct; I don't vouch for the 700 figures, that is an estimate.

Q. Whatever the number of employees were during the month it was \$63,484.08?

A. That is right.

Senator DeBerry: I want to chase this illusive question of administrative cost a little while. If a man is permanently on the roll and does

not qualify for relief he is in the administrative cost roll?

A. Yes.

Q. If he is qualified for relief and got a card regardless of what he draws, he is not administrative cost?

A. He is supposed to draw—

Q. I am not saying what he is supposed to draw, some draw more than others. If he has got a card in the file for relief subjects you do not audit him in the report as administrative cost?

A. That is right.

Q. Do you think it would be an interesting feature for the Senate to know what it would cost to administer relief funds?

A. I think so.

Q. Well, if everybody in the San Antonio office besides Mr. Alsbury, what would be the administrative cost of the San Antonio office?

A. Well, I think you would have to place a different construction on relief.

Q. I said under those segregations you have made you have to find people to do that work besides Mr. Alsbury. What would be the cost if there were all relief cases except Mr. Alsbury?

A. Mr. Alsbury's salary is \$300 a month. That would appear in the administrative expense column.

Q. If there wasn't anything during this past month except Mr. Alsbury, what would be the cost of administration in San Antonio?

A. If they had the same salaries they have now I would question if they were in fact relief subjects or not.

Q. Haven't you already testified that in so far as your audit was concerned it wasn't any of your business what they do? Didn't you testify that you segregated these men and if he had a card and was entitled to relief you did not put him on administrative costs? Did you testify to that?

A. Yes, I did.

Q. If you were taken in there as an accountant, and had no interest, it was none of your business all the folks are administered and everyone had a card except Mr. Alsbury, what would be the cost?

A. I don't think I could have made an audit without being interested in how these funds were administered.

Q. You just testified that you wasn't interested.

A. You say now it was none of my business how those funds were administered; I did not say that.

Q. I don't see why you want to evade the question. If you can find relief subjects to do the work you could make it appear that the cost is only \$300?

A. If all the work was done by relief subjects there would not be any expense.

Q. The public could say it did not cost anything to administer relief money?

A. Yes, sir.

Q. Would that be intelligent?

A. I think so.

Senator Murphy: I want to ask a question.

Senator DeBerry: I am not quite through. That just sorta floored me. What difference would it make whether that particular work you put them on was pounding the keys on a typewriter or piling rocks out of the river?—If they were in fact relief subjects? That's the thing that the whole committee has been working on for days, and they don't know any more about what constitutes administrative costs now than they did then, and anybody that has got sense enough to come in out of the rain knows it. Out of those 22 that are charged in administrative cost, if you could take six who are now in the relief roll to take six of those jobs that would cut it down to 17 or 18 on administrative costs?

A. That is right.

Q. Couldn't you proceed down to three, or four, or five, or six, or eight in the office in San Antonio?

A. If you were using relief subjects.

Q. You state there are about 650 employees.

A. That was an estimate of mine.

Q. If somebody wanted to put 1920 to pound typewriters and things like that couldn't you use the whole fund doing administrative work and all be classified as relief subjects?

A. Yes.

Q. It would be possible under the figure for this thing to run from \$300 to \$60,000 according to how many relief workers you were using? Is that correct?

A. I made only one kind of distribution of administrative expense

and that was in Bexar County and that is in my report. I haven't audited any county away from there. If I do that I will give you my opinion after I finish the audit.

Q. If you make an audit and find that all but seven have got a card, how many would appear in the audit as administrative cost?

A. There would be seven if all the rest was being done by relief subjects.

Q. As testified by the card?

A. Yes.

Q. There is something like 600 employees there that you have their card, are they doing good work?

A. All of those six odd hundred you mean?

Q. Yes.

A. I don't know whether they are doing the work, they are supposed to be in the field.

Q. What they are doing doesn't have anything to do with your audit, you don't know whether they are doing the work or not?

A. Yes, I know they are doing the work.

Q. How do you know it?

A. From all the time records in the office.

Q. Do these time records prove that a man works?

A. I think so under a proper system of records where you are looking at a list certifies a man is working. In passing a payroll I know a man got paid for a certain piece of work, but I cannot be expected to go out and watch each man to see whether or not he works.

Q. When you were charging out groceries at the commissary, what per cent of overhead is added?

A. There is no percentage of overhead added because the orders from the commissary are not priced.

Senator Murphy: Mr. Chumney, you heard Mr. Alsbury testify that there was 654 employees—664 employees on September 1?

A. I think so.

Q. And according to your figures \$63,000 was paid out to those men?

A. Yes.

Q. Now, Mr. Chumney, will you state the entire amount of the disbursements for August?

A. \$139,531.12.

Q. \$139,531.12?

A. Right.

Q. Well, now, Mr. Chumney, you heard Mr. Alsbury testify that there was something like 70,000 people on the relief rolls of Bexar County, didn't you?

A. Yes.

Q. So 654 people are getting approximately half of the money, aren't they, and 69,300 are getting one-half of it; is that correct?

A. No, that is not correct.

Q. Well, if there was 654—

A. (Interrupting.) When he spoke of 70,000 people there are that many that are relief subjects, together with their families. You might have just have one man there on relief and he might have a family of seven or eight people.

Q. Well then, if you would multiply 654 by 4.2, the average family, then you would have something like 2,500 hundred people receiving half of it, would you not?

A. No, because that 664 that he testified was the number of people on the payroll at a given time.

Q. The number on it at a given time. Well then, it is material for us to know, is it not, for what length period these 664 people were on the payroll, whether they were on for the entire month or a few days?

A. Yes; there might be another bunch that took their place. That 664 was drawn from a payroll on September 1.

Q. But that is all there were, 654 on the payroll, the entire month, and they drew \$63,000? Is that correct?

A. I don't know. Just a minute. I don't think it is.

Q. Well, wasn't that what you testified to, the number on the payroll, the number of employees, 654—664?

(No verbal response by the witness.)

Chairman Purl: Are you through testifying?

Mr. Chumney: No, I am not through, I am asking for a little information.

Senator DeBerry: He threw him a fast one.

Senator Martin: Mr. Chairman.

Chairman Purl: Senator Martin.

Senator Martin: Just a minute.

(Senator confers with other members of the Steering Committee.)

Senator Rawlings: we want to

get an answer to that question. He has not answered it.

Chairman Purl: Senator Martin addressed the Chair. I told him I would recognize him.

Senator Woodward: Mr. Chairman, what we want to get is this last answer.

Chairman Purl: I am not trying to hurry you. Senator Martin addressed the Chair and I recognized him.

Senator Woodward: He made the audit. I don't see that it is necessary for him to confer with a lot of people; he made the audit.

Mr. Chumney: I testified awhile ago I had some assistance on this audit.

Senator Collie: If it is going to take some time to get this information, let us hold the question in suspense.

Chairman Purl: I believe he has got it right now.

Senator Collie: We only have about ten Senators here.

Chairman Purl: That is all right. He is liable to get what he asked for. It is just one question. Are you ready to answer the question now?

Mr. Chumney: Yes.

Chairman Purl: All right, proceed.

Senator Woodward: What was the question?

Senator Murphy: The testimony has been, Mr. Chumney, to the effect that there were 664 people on the payroll on September 1st of this year and that the payroll amounted to \$63,000 and some odd dollars for the month. Now, isn't it a fact that there were some 70,000 people on the relief rolls. That is according to Mr. Alsbury's testimony. That was his testimony that there were some 70,000 people. Now, isn't it true that the relief received by all others besides the 654 amounted to only the difference between \$139,531.12 and \$63,000?

A. No, sir.

Q. Why isn't that true?

A. That \$63,484 is the total payroll of all departments. Now, there was about \$30,000 paid in cash to people on the rolls that was not included in that 664 people that were on the payroll at the beginning.

Q. That is correct?

A. Now, that would leave about \$33,480 that would be paid to other

relief subjects. Now, there were 664 people on the roll at September 30th, of course, those were heads of families. That didn't represent the amount of his cards; it represented relief subjects. This 70,000 people represents the whole business. Therefore, suppose that—

Chairman Purl: Speak a little louder, please, sir.

A. All right. Suppose that those people had worked on an average of one-third of a month each during the month of August, there would have been approximately 2,000 people on the payroll, during the month of August.

Q. Now, Mr. Chumney, will you still admit that there were 650 people on the payroll?

A. At a given date, at September 1st.

Q. At September 1st?

A. Yes, that is what I said awhile ago. That was drawn from the payroll. On September 1st there were approximately 650 people.

Q. Do you know how many were on the payroll during the month of August?

A. No, sir, I don't.

Q. You don't know.

A. No, because they represented, you see—

Q. Well, isn't it material to us to know from you how long each of these people worked on there?

A. If you want that information, it is over here, Senator.

Q. You can't tell us how many you had there working during the entire month, can you?

A. No, sir.

Q. Your audit doesn't show that?

A. No, sir.

Q. From the books, did you find—do you know whether or not these case workers work by the month or just worked two or three days?

A. They worked different times; some worked the entire month; some of them worked all the way from one day up, I presume.

Q. This report which you sent in from over there shows a monthly salary.

A. Well, they worked all the month, I presume.

Q. They worked all the month? Now, your record does not show how many worked during the month, does it?

A. It shows the total amount of the payroll.

Q. It shows the total amount of the payroll, but it doesn't show the total number on the payroll.

A. No.

Q. Can you furnish us with that information?

A. Yes, sir, it is over here in the file.

Q. We would like to have it.

A. The number of people who worked the entire month; the number of different individuals that worked during the month of August?

Q. That were on the payroll. You have no idea how many individuals there were that worked part time?

A. No, sir.

Q. Will you furnish us in the morning with the number who worked during the entire month of August?

A. You mean the total number of people that were there at any time, whether they worked one day or thirty days?

Q. Or thirty days.

A. In other words, how many heads were on the payroll; different heads on the payroll?

Q. Case workers, everybody who worked there in the month.

A. I don't know as I understand you. Do you want to know the total number that worked all the month?

Q. Those individuals who worked the entire month.

A. Those individuals who worked the entire month of August?

Q. Yes, sir.

Senator Murphy: That is all.

Senator DeBerry: Senator Murphy, you mean as constituting that \$60,000 payroll. That is what you mean?

Senator Murphy: Yes, I want to know who all was on the \$63,000 payroll.

Senator Fellbaum: Mr. Chairman, I would like to know how much—

Chairman Purl: You can ask the question.

Senator Fellbaum: I want to find out how much was paid out during the month of August to relief workers in dollars and cents.

Chairman Purl: Did you get that last question?

A. Yes. Do you want that to include the executive heads?

Q. No, sir, just what you term relief workers.

A. \$9,495.59.

Q. \$9,459.

A. And 59 cents.

Q. That does not include administrative expense?

A. No, sir.

Q. Well, then, what became of the balance of the money?

A. Well, \$39,000 of it was in the work department, in the relief department.

Q. That is what I was trying to find out. The wage workers, they are on the payroll of the work department?

A. Yes, sir.

Q. I wanted to know that. The 664 people received \$9,495.00 didn't they?

A. What is that?

Q. The 664 relief workers received \$9,495.59.

A. That 664, Senator, were not all relief workers; that was people on the payroll.

Q. I understand that you put 22 off, that you say were administration workers. That made 642. Now, did they receive \$9,495.59 or did they receive the \$39,000 and some odd dollars?

A. They received \$9,495.00 and a part of the \$39,000.

Q. Can you tell us how much that was?

A. No, it is approximately \$30,000,—approximately \$9,000 of that \$39,000.

Q. Only \$9,000 of that \$39,000?

A. Approximately; that is, the 664.

Q. I don't quite catch you. That is all the money that you paid to the relief workers, \$9,495.59, is that true?

A. No, sir, that was just the payroll of those employees who were paid in cash; it didn't take into consideration the issues from the commissaries for groceries.

Q. I want to find out what those 642 people got for relief work, whether it was money, groceries or anything else.

Chairman Purl: Will you get that up for him?

Senator Woodward: Mr. Chairman, will the Senator yield?

Senator Fellbaum: Yes.

Senator Woodward: Senator, if they will give us a list of every person who worked during the month of August and the amount paid, wouldn't that give you the information?

Senator Fellbaum: Yes, sir.

Senator Woodward: Could you give us a list of all the persons employed during the month of August, together with the amount that was paid them and the time they worked?

A. The total of this \$64,000 payroll?

Q. Yes.

A. No, sir, I can't do it.

Q. Why can't you?

A. Because the items on the payroll that appear during that short period for the month of August, that they disbursed cash, are not here.

Q. Don't it show who they gave it to?

A. Well, I can't answer that question.

Q. If they paid out any cash to an individual, didn't they keep a record of it?

A. Sure. I said I didn't know whether it was here or not, Senator.

Q. I thought you said it couldn't be done.

A. I was under the impression that part of the payroll was not brought up here, but I understand—somebody back here (indicating) says it was.

Q. Can you give us tomorrow a list of the names of the persons on the payroll who worked and received pay during the month of August and the time they worked, the amounts that they got, making up that \$64,000 payroll?

A. If all the necessary payrolls are here in Austin, I can.

Chairman Purl: Let me ask you a question, please, sir. You are a member of the firm that made this audit?

A. Yes, sir.

Q. How long were you doing it?

A. About fifteen days.

Q. How much did you get for it?

A. We got \$250.00.

Q. \$250.00 for the audit?

A. Yes, sir.

Q. Now, where are your work sheets that you used to make up this report?

A. We have them here.

Q. You have got all your work sheets?

A. Yes, sir.

Q. Could you take your work

sheets and make out a list of each classification?

A. No, sir, because we didn't make a transcript of all those workers, Senator. We took their payrolls and their canceled checks and their book records, you see, and checked them.

Q. You say there has been some money paid out for cash that doesn't show the individuals names?

A. No, sir.

Q. You didn't say that?

A. We have got the individuals' names. Personally, I don't know whether that information is in these files or if it is in San Antonio.

Q. Did you see those names when you made the audit?

A. Yes, sir.

Q. In other words, these files do not represent the files of that office entirely?

A. No, sir.

Q. How much does the audit represent?

A. The audit actually represents only a very small portion of the records of the Central Relief Committee.

Q. I see. All right.

A. But we endeavored, in bringing this information over here to bring what the committee subpoenaed.

Chairman Purl: All right, that is the last question as far as I am concerned.

It is the practice of accountants, where they are on the permanent payroll, you call that administrative, don't you; and if he is just a door man, just a messenger, that wouldn't be administrative, is that right? Do you use for administrative cost only those who are on the permanent payroll, or do you use those who are on the temporary payroll?

A. Well, if it is in an administrative capacity, if he is a permanent employee in an administrative capacity, an executive capacity, then I would say he was on the administrative payroll.

Senator DeBerry: May I ask one other question, then I will try to be good.

Chairman Purl: All right, Senator DeBerry.

Senator DeBerry: If everybody that needed relief down there, whites, negroes or Mexicans, had not been able to do any of that re-

relief work, and were carried on that payroll, what would have been the difference in the cost of that administrative expense?

A. That would be an estimate, Senator, that I am not able to make.

Q. Wouldn't that cost that \$62,000 if none of those people who were there, using that food, would not have been able to help in the duties involved—how much would it cost to get that food to them?

A. I don't know.

Senator Holbrook: Now—

Senator DeBerry: Let me have him a little while, because he is dodging.

A. No, I am not dodging, but I am not able to answer a hypothetical question.

Q. Now, those 600 employees, those employees who qualified for relief, they helped in the administering of that relief, is that right?

A. Some of them did.

Q. Well, didn't all of them?

A. Not all of them, no.

Q. Not all of that 600 didn't?

A. No, sir.

Q. What did they do?

A. Some worked in the river pulling weeds.

Q. Out of that 600?

A. Yes, sir.

Q. In that 600 employees did you include the weed pullers and the wood choppers?

A. Yes, there were some in that.

Q. Some was in there?

A. Yes, sir.

Senator Woodward: How many?

A. I don't know.

Senator DeBerry: In other words, there was just 600 down there on relief during that time; that is all the people working on relief of any kind, wood chopping and weed pullers?

A. That is all that was on the payroll on September 1st.

Q. That payroll not only covers the people that you class as administrative, but it covers people that held relief cards, that helped in the office working in the commissaries, all the people on the payroll down there, those cleaning out ditches and everything, all together, it includes all of them?

A. I don't think so, no, sir.

Senator DeBerry: I understand it that way. Well, that is all.

Chairman Purl: What is the pleasure of the committee?

Senator Holbrook: I move that we recess until 10 o'clock tomorrow, Mr. Chairman.

Chairman Purl: The motion is made that the Committee of the Whole recess until 10 o'clock tomorrow morning.

The question was put and the motion prevailed. The committee then at 6:40 o'clock p. m., September 27, 1933, adjourned to reconvene at 10 o'clock a. m., September 28, 1933.

Thursday Morning, Sept. 28, 1933.

The Committee of the Whole Senate met at 10:00 a. m., on this date, whereupon the following proceedings were had:

Chairman Purl. The committee will please come to order.

Senator Woodward: I want to make a request; it will take a little time to comply with it and therefore I am making it at this time, and that is that the committee be furnished with an itemized statement of the expenses of the Austin Office—I don't know whether that is the proper name for it or not—since the first of August up to and including the fifteenth of September, together with the names of the persons employed, their salaries, and their expense accounts. It will take some time to get this up.

Colonel Westbrook: I will have it for you this afternoon.

Senator Woodward: If you can; and speaking for myself, Mr. Chairman, I think we will invite Mr. Sterling and the members of the Chamber of Commerce to be here tomorrow morning and speaking only for myself as a member of the Senate I think as far as my part in this is concerned we will be ready to close it at least tomorrow.

Chairman Purl: Do you wish to have my secretary or yours to send out the invitations?

Senator Woodward: I wish you would have your secretary do this.

Senator Small: Unless there is objection from the other members of the committee I would like to have a telegraphic subpoena for Mr. Walter Hamilton, mayor of Dublin and Mr. Mark Hoffman at Cleburne, I think he is the mayor of Cleburne.

Senator Martin: I would add

Judge T. E. Darsey and Mr. Webster and the other names that were given thme other day in that letter, Judge T. E. Darsey, county judge, and I also wish to introduce Mr. F. Latimore and I wish to include Mr. H. C. Custard in that Cleburne list, Mr. Shropshire, W. A. Scott, and Mrs. Florence C. Flores.

Chairman Purl: You have heard the names of those requested to be subpoenaed as witnesses. If there is no objection the Chair will issue subpoena and attempt to get them to waive service and get them to come down immediately. In that connection the Chair does not happen to have his files in front of him at this time but would like to be permitted to invite the regional director of the Red Cross in Dallas and I will furnish the name later.

K. S. Wendler was recalled and testified as follows:

Senator Woodward: Mr. Chairman, I want the record to show that I am returning to Mr. Westbrook for his files the original report that was forwarded to him from San Antonio in response to his request of whatever date the record will show, the one that was delivered yesterday, and, young lady, will you take charge of it?

Senator Rawlings: What is your name?

A. K. S. Wendler.

Q. Assistant Relief Administrator of the Relief Association at San Antonio?

A. Yes, sir.

Q. How long have you been employed?

A. I have been assistant administrator since Mr. Alsbury has been administrator.

Q. From about the eighth of August this year?

A. Yes, sir.

Q. Have you been connected with the association down there prior to that time?

A. Yes, sir.

Q. In what capacity?

A. Executive Secretary of the Central Relief Committee.

Q. Executive Secretary of the Central Relief Committee?

A. Yes, sir.

Q. How long did you hold that position?

A. From September of 1931.

Q. From September of 1931?

A. Yes, sir.

Q. What has been your business prior to this relief work?

A. I had been in the newspaper business and was publicity secretary for the Chamber of Commerce in San Antonio.

Q. What do you mean by the newspaper business?

A. Reporter and editor for The Light in San Antonio.

Q. How long did you hold that position?

A. About six years.

Q. Then you were publicity man for the Cmaber of Commerce?

A. Yes, sir.

Q. For how long?

A. Two years.

Q. Were you holding that position just immediately prior to the time you took up the present work?

A. Yes, sir.

Q. Mr. Wendler, what are your duties in this association, what part do you play in it?

A. As assistant director?

Q. Yes.

A. Well, I am a sort of general roustabout. I keep track of the financial situation, I have charge of all buying, purchases by the commissary, supplies, office supplies, and get up the statistical information and fill out the forms that are sent in to headquarters.

Q. You have supervision or actual charge of most of the buying?

A. Yes, sir.

Q. What different supplies do you buy down there, Mr. Wendler?

A. Of course our principal buying is for the commissary and that consists of staple groceries, and that consists of some 14 or 15 items of staple groceries.

Q. Do you buy any clothing or drugs?

A. We buy drugs, we haven't bought clothing lately, last winter we bought some.

Q. In what quantities do you buy the staple groceries?

A. Usually in carload lots and larger. We buy on an average for about a week's supply and it runs something in the neighborhood of about \$18,000 to \$20,000.

Q. How much meat do you buy at one time?

A. We buy 20 to 30,000 pounds of dry salt pork, we buy 500 cases of salmon at a time.

Q. From whom are these supplies purchased principally, Mr. Wendler?

A. From any and all of the wholesale dealers and the brokers in San Antonio.

Q. Do you buy through any commission houses?

A. Some of the commission houses bid; it is all on sealed bid.

Q. Who are some of the commission houses?

A. The Pruitt Commission Company, The Collins Company, National Grocery Company, Quality Grocery Company, Guggenheim-Goldsmith, Swift, Armour; there are usually 12 to 15 bidders each time a bid is opened.

Q. When you are ready to buy supplies what method of giving the public notice do you use so you might receive bids?

A. In the beginning when we first started our sealed bid method we asked the newspapers to announce it and supplemented that by calling up the wholesalers. After we had been buying for several months under that method and those who were interested, and became acquainted with that method, we now merely phone them when we are ready for a bid. When we are going to open a bid next Tuesday at ten o'clock, we will phone all the interested parties giving them notice of the fact that a bid is going to be open at such and such a time.

Q. About how many bidders do you have under the sealed bid method?

A. Usually 12 to 15.

Q. Confined to merchants, to merchants there in San Antonio?

A. Yes.

Q. What price do you get generally on these commodities with reference to the wholesale or retail price as a comparison?

A. We buy, we have found in the past as a rule cheaper than most of the retail men can buy by virtue of the fact that we buy in larger quantities than they do.

Q. You buy it cheaper than a retail store in San Antonio?

A. As a rule, yes.

Q. Your prices compare along that line?

A. Yes.

Q. After you buy these staples they are delivered to the commissary, are they?

A. Yes, sir.

Q. Who has charge of them?

A. The commissary manager.

Q. You have a manager in charge

of that particular department?

A. Yes, sir.

Q. Distributed on a price basis to the relief subjects?

A. They are at the present time.

Q. How were they distributed?

A. On a ration method.

Q. A man got an order for so many pounds of meat, flour, and so forth, regardless of the price?

A. He got an order for a ration suiting the number of persons in his family; it was not distributed according to the number of pounds he was to get. For instance he would get 2-A rations, 1-B ration, and 1-C. The A ration was a ration figured out for families; B for adolescent children, and the C ration was for infant children, and these three designations were put into effect for the distributing of rations depending upon the man's family, of course.

Q. But you now show it on a price basis?

A. Yes.

Q. What price do you use compared to the price you pay for it?

A. We use the same price.

Q. You let the relief staff have it at exactly the price it cost you?

A. Yes.

Q. How many employees have you in the warehouse where the supplies are kept?

A. When the relief is going full blast it takes about 40 to each commissary.

Q. How many commissaries have you?

A. Two.

Q. You have an average of about 80 employees?

A. About.

Q. All that stuff is delivered at the commissary?

A. Yes, sir.

Q. To the superintendent?

A. Yes, sir.

Q. Can you tell us how much money was spent at the commissary during the month of August?

A. I don't know that I could recall it from memory. I know it would average about between \$17,000 and \$20,000 a week, in the neighborhood of \$70,000, I would say just as an estimate.

Q. For the month of August. What kind of system do you have there in keeping the record of the supplies you take in and record for the delivery and distribution?

A. Senator, I did not quite understand you.

Q. I said what kind of record do you keep in the commissary, showing the receipt of this merchandise and its distribution.

A. Of course, all the deliveries to the commissary come with invoices attached. These invoices are checked, the merchandise is checked in, the invoices are receipted by the commissary manager, sent to the auditing office where it is charged against the commissary and the auditors at the end of the day accumulate all of the disbursing orders, covering each of the individual orders, accumulate them and total them and charge against the commissaries.

Q. When a subject comes in and gets groceries is he required to sign anything?

A. Yes, sir; he receipts for it.

Q. What kind of a record do you keep for that?

A. At the present time an itemized list with the price of the groceries he receives.

Q. In other words if he gets two pounds of sugar and three pounds of lard it is itemized on there and the price is charged out to him?

A. That is right.

Q. How long has that system been in vogue?

A. Within the last month, I think, since Miss Kolling has been there and we have reorganized and attempted to do it on a cash basis.

Q. Do you pay any commissions to any middle man or broker on any of this stuff you buy?

A. We pay no commission unless the commission of course is in the quoted price.

Q. Do you contract with any broker or salesman who gets a commission on any of this stuff you are buying?

A. No, sir.

Q. Has it ever been done?

A. No, sir.

Q. You are positive of that?

A. Yes, sir; within my knowledge it has never been done.

Q. You are supposed to know about it?

A. I am supposed to.

Q. Do you delegate that authority to buy to any else?

A. I sign the original purchase order which originates the bid and

turn it over to the purchasing agent who contracts the brokers to submit bids.

Q. Who is the purchasing agent?

A. Mr. Palmer.

Q. What are his initials?

A. We call him Victor, which I think is his middle name.

Q. He is the man who makes the contract with the wholesale merchants?

A. Yes, sir; keeps all the records of the purchasing department.

Q. You don't know of any commissions having been paid?

A. No, sir.

Senator Murphy: Mr. Wendler, are your case workers regularly employed?

A. The bulk of them, the majority of them, yes.

Q. How did you employ them?

A. By picking out the intelligent people from the ranks of the unemployed.

Q. Who placed them on your relief rolls?

A. The head of the welfare department. They were placed on the relief list before they were employed; they applied for relief and then were employed.

Q. Did they all realize the fact that they were applying for charity?

A. Well, if you call that relief charity. I think they did.

Q. They are without any other means of support?

A. Yes, if the records of the welfare department are correct, they are.

Q. Well, do you interrogate them as to that fact?

A. As to whether they are without other means of support?

Q. Yes.

A. Yes, sir; all applications for relief are interrogated about that fact.

Q. Do they sign written statements to that effect?

A. I don't know. At the present time under Miss Kolling's rule I do understand they sign their original application for relief; previously they were not asked to sign. They made their statement to the relief worker.

Q. Do you know what it contains?

A. Yes, it contains answers to any number of questions.

Q. Would it contain a statement

to the effect that they have no property or no means of support whatsoever?

A. Yes, sir. They might have property. They are asked about the property. The possession of property so far as the case record is concerned does not necessarily disqualify them for relief unless it is income property.

Q. Well, if a person has a considerable amount of property on the tax rolls are they still subject to relief?

A. They might be if that property bares them no revenue, if they could not sell it even at sacrifice prices and were behind in their taxes, I think they would still be eligible for relief.

Q. Most of these case workers are regularly employed?

A. The majority of them.

Q. Do you know how many you have on your list at this time?

A. This is an estimate; I would estimate that there must be around 150 employees in the welfare department. Not all of these are case workers, of course.

Q. Do you know how many employees you have?

A. At the present time?

Q. Yes.

A. I could give you an estimate of it. I do not have anything to do with employment at the present time. I judge that there are in the neighborhood of 300.

Q. Who employed them?

A. The heads of the departments employed them.

Q. The heads of the departments?

A. Yes, sir.

Senator Rawlings: I want to ask you about two more questions. The report shows in the audit of the commissary department work relief \$50,263.76, direct relief \$13,000 and some. Now what is the distinction between these two items of relief in the commissary?

A. People who receive work relief, which is dispensed through the commissary, are those persons on the relief rolls who have worked either a day or two days for an order of groceries through the commissary and those on the relief rolls who can not work because of age or illness or responsibilities at home which keep them from working are

on direct relief and when they are given an order on the commissary it is charged to direct relief.

Q. In other words, you pay some of them in groceries?

A. Yes, always have; practically all we have ever paid them.

Q. During the month of August the amount of relief distributed through the commissary was sixty-four thousand dollars approximately and your expense for that period six thousand, which runs about 10 per cent. Would that be about right?

A. That is about right and that is right in August. In August the employees who had been previously been getting \$10 a week were raised to \$14.80. About 10 per cent is the overhead for the distribution of groceries.

Q. What was that last answer?

A. It costs about 10 per cent to distribute groceries through the commissary system.

Senator Collie: You say you have been connected with relief down there before?

A. Yes, sir; been with it since it started.

Q. You have been in the newspaper business?

A. Yes, sir.

Q. Do you think the work can be handled in any other way than the set-up or do you think the set-up you have is the best way?

A. Any set-up you set up, Senator, in my opinion would ultimately resolve itself into what you have got now. It is going to take so many people to administer relief to people in San Antonio whether it is administered in this way or any other.

Q. Do you think it could be handled in a city as large as San Antonio by volunteer workers?

A. I do not.

Q. You heard this Reverend Rail?

A. Yes.

Q. Have you ever talked to that fellow about the points he discussed here?

A. Yes, many times.

Q. What about it?

A. I think he has based most of his statements on misunderstanding and lack of knowledge how relief is handled.

Q. Now how do you handle your workers, I mean your relief workers? Do you make inquiry as to

their ability to work and all those sort of things?

A. Yes, sir.

Q. In case a man is not able to work, what do you do?

A. Give him direct relief. When there is cash to be given he is given cash, just like the people who work.

Q. What about the supplies being full of weevils and not fit to eat, what he said about that?

A. In buying supplies one thing we have insisted on all the time is that they all be of first quality.

Q. Don't the fellows that dispense the stuff inspect it?

A. Yes and it is very frequently rejected.

Q. You pay the same price as the grocery stores?

A. No, I think as a rule we are able to buy a little cheaper.

Q. On account of the grade?

A. On account of the volume, we buy a large volume and various of the producers give us a discount by virtue of the fact that we are relief agencies.

Q. Now did your organization ever go out and pay any rent for anybody?

A. Yes, sir.

Q. About what has that been amounting to?

A. I would judge entirely from memory that we never paid out over two or three hundred dollars in any one month for rent.

Q. Well has that been increasing or decreasing?

A. We are paying more rentals now under the present arrangement down there than we did in the past.

Q. Have you had any increase in threats to have them evicted on account of your paying the rent?

A. They run into isolated cases where the landlords threatened to evict them, thinking we would pay the rent, but few landlords wanted to take advantage of the situation.

Q. You know more about a big city's work than I do. I want to know if you think this work can be handled better and more efficiently and satisfactorily by volunteer workers than you can under the organization of case workers?

A. I do not think volunteer workers could handle the situation at all.

Q. Do you think they would be interested in it?

A. They would for two or three weeks probably. Volunteers would not be interested in it as a continuous proposition in my opinion.

Q. Do you think they could spare the time to look after it?

A. No.

Q. Unless they devoted all their time to it?

A. They would have to devote all their time to it; it would be essential.

Q. How many do you have on the rolls?

A. You mean relief subjects?

Q. Yes.

A. I judge at the present we must have some twelve thousand family heads on the roll.

Q. How many persons?

A. They run about 4½ persons to a family.

Q. In other words—

A. (Interrupting) Something better than 50,000 people represented in the families.

Q. Has that been increasing or decreasing lately?

A. It is starting to increase again now.

Q. Has the number of case workers increased or decreased lately?

A. The number employed as case workers?

Q. That is right.

A. They have increased.

Q. In other words, as the case workers have increased your relief subjects have increased? Is that right?

A. Yes, that is correct. May I qualify that? That happens to be correct at this time, as the case workers have increased the relief subject have increased but there is no connection between the two.

Q. Because of the increase of your case workers you have not been able to reduce or take off the rolls very many people, in other words, it has been increasing with their employment?

A. Yes, that is correct, but the increase is attributable to the fact that the people who went to the cotton fields are now coming back on the relief rolls.

Q. What kind of work program are you employing in giving those people work in San Antonio?

A. We have had a dozen or more work programs, the principal one has been on our wood project. We have gone out into the surrounding

territory and cut down timber and brought that into town and have utilized the men who were on our work relief rolls in cutting that timber up.

Q. Was that clearing somebody's private land, or just how did you go about it?

A. We had been getting the wood for nothing, the parties owning the land were public spirited and naturally interested in furnishing any kind of work to these unemployed and at the same time they were having their land cleared.

Q. Do you sell that wood that you have secured, or what purpose do you put that to?

A. No sir, that wood is not sold.

Q. What is done with it?

A. Well, it is brought into town.

Q. What with, trucks?

A. It was hauled into town and stacked up and delivered to the Relief Commission.

Q. And has that been your principal relief work?

A. No, I would not say that was the major work that has been done there, but it was perhaps the largest program considering the number of men employed. Other work, relief work programs were digging out the various creeks to prevent floods—we have done work around the schools in the way of cleaning up the equipment and playgrounds, we have restored one of those old missions in San Antonio.

Q. Most of your endeavors then have been more or less of constructive value?

A. Yes.

Q. I believe that is all.

Senator Martin: In answer to question propounded, you said you had something like twelve thousand families on the list down there, all dependents relief?

A. Yes, sir.

Q. Did you or not, at that time, take into consideration the transients?

A. No, the question that as I understood it was that they were family heads on the roll. In addition to those we have fully one thousand local non-family persons and are carrying something like nine thousand transients per month.

Q. Explain how you take care of those transients. Do they come in and stay for just a night or do they stay for months?

A. We have been taking care of them in two ways. The relief that has been given those usually is just a meal and they have gone out on the next train and go on their way. We do that in order to keep from caring for them for longer periods of time and to relieve our relief stations. It depends upon certain conditions, if he is just a pick and shovel man and is just going through we will take him and give him a couple of meals and bed and let him move on, but if he is a high type of man who really does not want to be a charity subject and has always had employment prior to the conditions that are now existing, or if he wants to stay permanently until he can get established we feel that he should really be given some consideration and should have perhaps more attention given to him than an ordinary transient.

Then it depends upon the type of man?

A. Yes.

Q. Do you find a good many of these transient people to be the high type of people?

A. Yes.

Q. Have you had occasion to make a survey of your files there in the last few weeks as to the number of vacant houses in San Antonio?

A. I have not, Senator.

Q. You have quite a few though, do you not?

A. Yes.

Q. You do not know what has become of the people who were formerly occupants of those buildings?

A. No.

Q. You do not know whether that man has spent all of his money trying to get a place to work or not?

A. No.

Senator DeBerry: I understood you to say, in answer to a question a while ago that you had about twelve thousand families on the rolls there, which would indicate a little over fifty thousand people?

A. Yes.

Q. And you also testified that you had about one thousand who were not family heads?

A. Yes, sir.

Q. And about eight or nine thousand transients?

A. Yes.

Q. Making a total of about sixty to sixty-five thousand?

A. Yes, sir.

Q. Now, the transients—do you mean to say that you would have about that many transients in one day?

A. Yes.

Q. That would make something like sixty to sixty-five thousand people to be fed?

A. Yes.

Q. About how much does it cost per man to take care of them per day—about how much does it cost per man to feed a man on the relief roll—just the average?

A. The average, I would say, would be something like about sixty cents per person per week. That is about the only way I could answer your question—say two dollars and fifty cents per month in our commissary system.

Q. You mean to say that you can feed a man on two dollars and fifty cents per month?

A. Well, we can keep them alive.

Q. Now then of the three hundred people that you testified that was in the employment division department or whatever that is—I believe that you testified that you had something like, at times, as high as six hundred on your payroll down there?

A. We have had six hundred on the payroll in some weeks perhaps, I would not say that all of those were on permanently.

Q. That six hundred included the case workers and other clerks at the various commissaries, did it not?

A. No.

Q. Now, you were asked the question and I was under the impression that you carried all people that were on the payroll in the administrative section and that would include the entire payroll. Now, it seems that three hundred did not include people who are doing part time work or who are in the distribution section?

A. It would include the families of the laborer, but would not include the man who was laboring in the ditches.

Q. It includes a type of labor that you could not find a job for and you could not have anybody else who was capable of doing that work?

A. I would judge so.

Q. Is that what it took to constitute that—about six hundred who

were on the payroll and which you have testified about here?

A. No, sir.

Q. Do you understand that the administrative expense down there, that you could tell this committee or anyone what the cost of administering that fund down there would be in caring for those people, taking care of the poor, hospitals, commissaries—what was the expense of that other than salaries paid out for labor? Is that should?

A. Yes.

Q. Could that be shown?

A. Yes, sir.

Q. Well, we have not been able to get it yet. I have tried every way I know to get that expense.

A. I believe that you are mistaken about the number of people that it took to administer that work down there. I think that it took about four hundred and twenty-five.

Q. Now how much would that cost per month?

A. Well, that would depend entirely on what you paid them.

Q. Well, you are not paying any of those less than \$64.13 per month and up?

A. That is correct.

Q. How much did you say that would be—about?

A. Well, that would be about \$4500 per week.

Q. Well, you have about 450 employees and none of them draw less than say sixty-four dollars a week—Let's use that figure—in other words, if you have four hundred and fifty employees on your payroll down there in administering this relief work, and none of them draw less than sixty dollars per month and some of them draw eighty and one hundred and on up to three hundred dollars per month, that would be the largest amount paid to anyone, what would that amount to?

A. Will you give me a little time to figure it out?

Q. Certainly.

A. That figures out about twenty-six to twenty-seven thousand dollars. That is for the people who are helping in the administration relief. You understand that they would not all work a full week, or a full month. They are staggered.

Q. I understand you to say that you have about four hundred and fifty employees?

A. That is my estimate.

Q. About what do you think the average salary would be per month, if the minimum paid was \$64.13 and the maximum \$300.00? I have some figures in mind here and I think it would be between twenty-five and thirty thousand dollars per month. Make it at seventy-five dollars per month—that is the average—and what would it figure—

A. Well, at that figure it would be around twenty-seven or twenty-eight thousand dollars per month.

Q. Well, then if you take the minimum it would be around close to thirty thousand dollars per month?

A. Yes, sir.

Q. If you take four hundred and fifty—do you think that the average salary there of \$75.00 per month would be too high?

A. That would be too much.

Q. Well, if we go to measure down this line, we have one man, one auditor who sets up a figure of eighteen thousand dollars as administrative cost, and on the other hand, taking the figures, the minimum salary of sixty-four dollars per month, that would be around anywhere from twenty-five to thirty thousand dollars. Now the thing that I want to know if you take the minimum salary of sixty-four dollars per month and you have the number of four hundred and fifty employees down there on that basis, it would cost something around thirty thousand dollars for the distribution of relief—if the average salary was around seventy-five dollars per month, it would be around thirty-five thousand dollars per month. How much did it cost you during the month of August?

A. I do not recall how much we charged up to administration during August—

Q. How much money did you get for the month of August?

A. I do not recall how much we got in August. I think that we obligated ourselves for something like \$140,000 in August.

Q. Do you mean you spent that much?

A. We obligated ourselves for around \$140,000.00.

Q. Now then, if you take \$140,000.00 that you have to spend for administrative work there during the month of August, and you are spending from thirty to thirty-

five thousand dollars of that for salaries and help, that would leave you about one hundred and five thousand dollars to be spent for relief there?

A. Yes, sir.

Q. And if you had that much to put into feeding those people down there, that would take care of a good many people, would it not?

A. Yes, sir.

Q. Now then, if you had one hundred and five thousand dollars, and you had about sixty-five thousand people down there depending on you for relief, how much per month per person would that mean?

A. That averages, of course, not quite a dollar and a half per person per month.

Q. Don't that show pretty conclusively that you can not feed a person for a month on \$1.65?

A. Well, in that figure of sixty to sixty-five thousand you have got a little better than nine thousand transients.

Q. I thought that you said that was the average—you are feeding those transients, aren't you?

A. We do not spend as much on them as if they were permanently there.

Q. You say that you would have some sixty to sixty-five thousand average on your rolls, your relief rolls there per month; that you would have something like nine thousand transients per month, and you said that you were taking care of those transients.

A. I did not say that we had nine thousand transients per day. We have an average of nine thousand per month. I mean nine thousand per month.

Q. Well, I have got myself confused. What is the difference in having nine thousand for a week and nine thousand for a month—what is the difference in the cost of taking care of those—is there any difference in having nine thousand transients and nine thousand local folks down there?

A. Well, when a transient comes in we will perhaps only give him one or two meals and a place to sleep for the night, and then he will move on. He does not ever stay a whole month. You do not have nine thousand of them for the whole month. Thirty days in the month. You may have that nine

thousand for say one night in the month—a total of nine thousand transients during the whole month. The cost of taking care of the transient when he comes in there is that he gets maybe two meals and lodging during the month, and that particular man is not on our list again. Sometimes in case of sickness, or where they are needing medical attention, he will stay for perhaps a week or ten days. During that time we will take care of him, but we do not have to take care of the majority of those folks for more than one night and with perhaps two meals. We send them on out of town and get them off our rolls.

Q. Now, then—but—you take those figures there, take the figures that you have already given here, and see if you can figure out how much it is costing per month to pay for those four hundred and fifty employees, which you have there, figuring them anywhere from sixty to seventy dollars per month each, that is what I am shooting at, and it shows that you have less than two dollars per person to take care of the people whom you state are on your relief rolls down there at San Antonio?

A. But you have not deducted from that sixty-five thousand people the families of those four hundred and fifty employees.

Q. Well, even if you do that, you are still going to get less than two dollars per month per person—that would only amount to about two thousand if you use the basis that has been employed in figuring this the total number from a given number of families. It would not help much if you took that bunch of transients off and the families of those employees off the rolls.

A. I can give you some figures on that—we have a complete record of that in the office files.

Q. Well, if you cut all of those off, you would still have in the neighborhood of around fifty thousand down there?

A. Yes, sir.

Q. And if your records are correct, if your reports are correct, are not you spending per family per month there less than two dollars to feed those people?

A. I do not think that it will figure out that way. Take, for instance, the transients, and you do

not have them every day in the month, that is the entire nine thousand. The transients that are put on the roll are not family cases.

Q. Well, if you were to admit that you had fifty thousand on the rolls—will you admit that you have had fifty thousand on the relief rolls there for any stated month. What would you be spending per month per person, after you had deducted the payroll for that four hundred and fifty employees, and after you had deducted the transients, and after you had deducted the families of the four hundred and fifty employees, still you would have something like, at least a minimum of around fifty thousand persons, and if you had fifty thousand people on your rolls, and you only had one hundred and five thousand dollars to spend for feeding those fifty thousand people, for one month, how much would you have per person per month?

A. That would figure around two dollars per person per month.

Q. That would be about two dollars and ten cents. That is what you would have to take care of and feed those fifty thousand people for one month.

A. That is the amount of groceries that we have been giving them. I do not know whether they have any money added to that or not. I do not have the figures on that. I do not think that we have been giving a complete job of relief.

Q. Have not you always got the money that you have called for—have you asked for more than you have got?

A. I do not know that they have.

Q. I believe that Mr. Westbrook testified that he had always given you what you had asked for over there?

A. Yes, sir.

Q. The reports may not be complete—the figures may be less than I understand them to be, but with the figures that are covered in this report here, it seems to me that you have a lot more than fifty thousand people on relief rolls over there—and on the basis of the amount of money that you have been receiving, I mean by that the net amount, after paying the salaries and overhead, and administrative expense, that would give you less than two dollars

per person to feed each of them for the month.

A. That is about what we have been giving them at wholesale prices—paid—figures at wholesale prices, that is about what we have been giving them.

Q. What do your records show that the average per family per month for groceries at wholesale prices, would be?

A. The average family, according to the estimate that we have used, is about four and a half or five, and that would make eight or nine dollars per month per family.

Q. Per family?

A. Yes.

Q. It may be a little bit over that figure. Has it ever been charged that commissions are being paid for the purchase of those groceries and supplies?

A. I have not heard that particular charge.

Q. That there was no charge of that kind being made?

A. I have never heard it.

Senator Murphy: Mr. Wendler, do you have a copy of the Report of Chumney & Company?

A. No, sir, I do not have.

Q. Will you get hold of it?

A. For what period of time is that, Senator?

Q. September 25th, that is the date that I have here.

A. The last report that was filed.

Q. Now then, turn to Section 2, Exhibit "A"?

A. Yes, sir.

Q. Now look at item number 3 under—"Operating Statement."

A. Yes, sir.

Q. That says purchases during period of this report of \$58,493.63?

A. Yes, sir.

Q. And it shows total to date?

A. Yes, sir.

Q. Of \$535,350.97?

A. Yes, sir.

Q. Has there been that much purchases made?

A. For the commissaries?

Q. Yes?

A. Yes, sir.

Q. \$535,350.97?

A. Yes, sir.

Q. That is since the Federal Relief Funds have been available for you?

A. Yes, sir.

Q. How much money have you received?

A. I think that we have received something better than \$700,000.00.

Q. \$730,000.00?

A. Something better than \$700,000.00.

Q. Have you those figures available?

A. I think they are in the auditor's report.

Q. As a matter of fact, the audit shows only \$560,000—look at Section 1, Exhibit B—

A. Yes, sir; \$797,000.

Q. \$797,430.29 to be exact?

A. Yes, sir.

Q. And you state that \$537,350.97 has been spent for purchases?

A. Commissaries.

Senator Small: For the next six months, how much do you think it is going to require in San Antonio and Bexar County for relief?

A. It depends upon what standard of relief we expect to give. We have managed to get along on seventy to seventy-five thousand dollars per month—for one month—but I think that we ought to have \$200,000.00 per month.

Q. Well, in the course of a year that would amount to \$2,400,000.00?

A. Yes, sir; \$2,400,000.00.

Q. And if the State matches that on a fifty-fifty basis, meaning if the State was to match that, it would have to put up an additional \$200,000.00 which would be the amount that would go to San Antonio and Bexar County alone.

A. Yes, sir.

Q. Have you had any occasion to compare your set-up in Bexar County with that in Dallas and Fort Worth and Houston?

A. No, sir; I have not.

Q. Have you any suggestions to make to this committee as to the method of improvement of the present set-up in San Antonio?

A. I think that you have a foundation laid in San Antonio for the proper distribution of relief. I think also that too much emphasis is laid on work, as necessarily since the county cannot pay the labor and material which it necessarily takes, this would have to come out of the relief fund. I do not think that these people need so much sympathy as they need to be given an opportunity to work out their own sustenance. I think in that way you will increase the morale of the country. I think that whether or not they are ordered to dig a ditch, and in doing that they

feel that they are doing something that will help them to get on their feet, that will help in a big way to get them back on their feet. The main thing is to give them relief in such a way that they will be able to help themselves. I believe also that they should be put to labor only on those projects that will be useful, and in that way you will be able to help the community and help these people to get back on their feet.

Q. In other words, on constructive labor programs, constructive work programs that are essential or necessary in the ordinary run of life in San Antonio?

A. I do.

Q. And then to those who are not able to do constructive work, you believe that that would be practically the dole system?

A. I do.

Q. You think then that the dole system would be preferable to the present system.

A. I think that it would cut down some expense, and put more money into circulation, put more men to work and serve some useful project.

Q. Do you know of any way that this expense of administration and overhead can be cut down?

A. It has been cut down considerably within the last few weeks, and I think that it has been cut just about to the bone now.

Q. Now, do you know any way where you can cut this overhead down in San Antonio?

A. It has been cut down this month over last month very materially, I think. We have got it down now. I don't believe you can handle it with any less overhead.

Q. What do you think your overhead will run with your present set-up?

A. \$4,500.

Q. \$4,500 per month?

A. No, I don't say per month, I say it will cost \$4,500 a week.

Q. About \$4,500 a week?

A. Yes, sir.

Q. About \$18,000 or \$19,000 a month?

A. Yes, sir.

Q. That is in line with the figures submitted here by this man Graves, wasn't it?

A. Yes, sir.

Q. That is about as low as you can cut it?

A. I think it is. May I make a statement?

Q. Yes. I am not criticizing anyone.

A. I understand. I just want to say that \$18,000, assuming that it is used in the administration and not relief is not necessarily wasted if it is put into the hands of people who are employed. Call it administration if you want to, but it is not money that is poured into a rat hole.

Q. You are keeping those people there and taking their sustenance and expense out of any form of wage or salary you are paying.

A. The only tag relief we have ever given in San Antonio has been to those people who held little clerical jobs and drew \$10.00 or \$12.00 a week.

Q. You think this commissary system is better than paying them in cash?

A. It is cheaper. We have had to economize, we have had to procure jobs and go out and try to get groceries enough to feed those people, to keep them alive, with the money we have available. May I extend that a little further?

Q. Yes.

A. Members of the old committee, John Bickett, Doctor Oppenheimer, all of those people were very much interested in how the funds were spent and they have repeatedly gone to the commissary and taken a ration of groceries that cost us 60c and gone out to the retail stores to try and duplicate it, and they have found over and over again that the same ration would cost all the way from \$1.00 to \$1.20 in the retail stores, identically the same thing that is handled by the commissary.

Q. The retail merchants in San Antonio, none of them ought to be on the relief rolls if they are making that much profit.

A. That is due largely to the fact that we underbuy them. I don't mean their profit is that.

Q. They have got their overhead; that is quite likely. What I am trying to get, you seem to know more about the San Antonio situation than anybody up here this week, so I would like for you to make such suggestions about the handling of it in San Antonio, because to me San Antonio, Houston and Dallas are the three problems that have to be

handled. You have had experience over there and I would appreciate any suggestions you have to make.

A. The suggestion I make is that I think we are on the right track; I think we have the right foundation; I think it should be handled with case workers; if the commissioners' court handles it it should be handled with the case workers, whether it is handled under us or by the commissioners' court, I think you should have a case workers' department. You have to keep a proper accounting of your funds, keep a proper record of what you pay on work projects. You have to have a supervisor.

Q. Don't you think under that set-up that you have now that those rolls will constantly expand; don't you think it will increase?

A. I don't understand, Senator.

Q. Don't you think that the number of people on those rolls, the number of unemployed will naturally increase as long as they know they can go there and get sustenance?

A. I don't think so. I don't think the assistance they get down there is very desirable to most of the people on the rolls. I think they go there as a last resort, as a rule.

Q. Do you think that applies to your Mexican population?

A. To a large extent, yes, sir, that is, the Mexicans.

Q. What effort has been made to get those people out of San Antonio, filter them back into agricultural sections to pick cotton and things of that kind?

A. We have cooperated in every possible way with farmers, ranchmen, and the United States Department of Farm Labor down there, to get those people into the agricultural section and to see what employment they needed. During the cotton picking season we learned that a certain territory needed 500 cotton pickers and we went to the Mexican office and looked over those rolls, and as they would come in for their daily or weekly rations for themselves and families, if they were of the cotton picking class we offered them a job and if they didn't want it we cut them off the rolls unless he could show a very good reason why he should not leave town. We sent out considerably over 2,000

people to the cotton fields during July.

Q. What suggestion have you got to make in order to get rid of this relief situation in San Antonio?

A. I don't think that situation can be relieved any way soon. I believe we will have it for many years to come, that is, permanent relief. We have got a good many middle aged people on our rolls who will never be engaged in gainful employment again.

Q. Just take the situation existing in San Antonio, according to the figures that you have given here, the Legislature will be called upon to issue \$20,000,000 right off the reel.

A. Yes, sir; but I don't think that is too much.

Q. You don't think that is too much?

A. I don't think it is too much. I have been in very close touch with our situation since it started.

Chairman Purl: Any further questions of this witness?

Senator Woodward: I want to ask a question. As a matter of fact, you have a condition there that is peculiar to San Antonio.

A. We probably have on account of that large Mexican population.

Q. On account of a mixed population, Mexican population, there you really have a necessity for more money in order to take care of them than the other cities in Texas. Isn't that a fact?

A. I don't think we have been getting more.

Q. No, I don't mean you have been getting more. I say on account of that situation you probably need more money.

A. Yes, sir; I think so.

Q. These cotton pickers whom your city sent out to other places during the cotton picking season, I believe you said you sent about 2,000 out?

A. Yes, sir.

Q. Did they apparently want to do that, why wouldn't they be willing to take it?

A. The majority of them were very willing to go. We had to cut off very few.

Q. Well, if they were willing to do that, why wouldn't they be willing to do other work?

A. They are, so far as I know.

Q. I understood you to say awhile

ago that you didn't think putting them to work would help the situation any; that they would still feel that they were on relief.

A. I, of course, in that statement had more reference to the higher type of man, the man who has held a clerical position.

Q. In other words, you mean that the man would be proud, for instance?

A. Yes, sir.

Q. You think that because the man is forced to do some work in order to get support for his family, he would still feel that he was on the relief rolls and that would not help his morale any?

A. Absolutely.

Q. Under the theory that the commissioners' courts, acting as the head of the organization in given counties, with respect to the use of the money on lateral roads, Bexar County probably would not need that money so much for roads as some of the other counties. Therefore, don't you think it would be necessary to have some latitude by which the funds could be used to meet those different conditions?

A. I do.

Q. And whatever bill is passed, even the present law, if necessary, should be changed so as to make it elastic so that in a given county when conditions would not permit or justify the use of funds for a certain purpose they might be used in another county, do you think it should be changed?

A. Yes, sir.

Senator Woodward: I believe that is all.

Chairman Purl: Any further questions?

Senator DeBerry: I want to ask one more question.

Chairman Purl: Senator DeBerry.

Senator DeBerry: This large number of case workers, you selected those from people that were on the relief rolls?

A. Yes, sir.

Q. It being a fact that the State is in the red, a lot of people are not able to pay taxes, nobody wants to pay taxes. Now, if we are going to pass a law authorizing this \$20,000,000 bond issue, it becomes our duty to be as careful about spending that as we can, doesn't it?

A. It does.

Q. Don't you think that the people you have there without employment, as case workers on the relief rolls, and they think that their jobs might be perpetuated by this system, don't you think that would have a tendency to lead the case worker to want to keep as many people on the rolls as he could? I am talking about it from a business point of view, I am not talking about it from a standpoint of sympathy.

A. I don't think so.

Q. Why not?

A. This case worker, he might be on full time at \$64.00 a month; if that case worker is the head of a family, he is out looking for a job all the time. That case worker is not content, if he is an intelligent person, he is not content to work for \$60.00 a month, he is out looking for a better job.

Q. You don't think there is any incentive in this whole situation to the case worker to perpetuate this system?

A. I do not.

Q. You don't think so. Up in my country if a man gets down, I don't mean everybody that gets down is inferior, but we are bound to admit that the man who is superior gets money better than the man who is inferior. Don't you think there would be any incentive if a fellow knows that the Government is going to feed and take care of him, don't you think he would want to perpetuate that situation, if, like up in my country, men work at picking cotton for six bits and \$1.00 a day, don't you think he would rather work for \$2.40 a day for two or three days a week than to pick cotton at 60 cents a hundred?

A. Senator, I don't know anything about your section of the State.

Q. Well, if that condition exists, don't you think that class of people would rather work for \$2.40 for two or three days a week than all the time for six bits or \$1.00 a day, or \$1.25 a day digging out stumps and things of that kind, don't you think he would rather do that?

A. I believe if you will let that type of person, you are talking about, if you will let him earn as much in common labor as he would in other lines, you are tempting him

to stay on the Government all the time. I agree with you on that.

Q. Don't you think he would want to make \$2.40 a day rather than make 50 cents picking cotton?

A. Of course we look at it from this standpoint. In our county, the cotton picking families are not considered as an individual; the average cotton picking family in San Antonio has got four or five members who can pick 150 to 250 pounds of cotton a day, and at 50c a hundred, that family can earn quite a bit of money picking cotton.

Senator DeBerry: That is all.

Chairman Purl: Any further questions? Mr. Westbrook, do you want to ask any questions?

Colonel Westbrook: Yes, sir.

I believe you testified, Mr. Wendler, that your labor cost, your commissary was about \$6,000 a month. Is that correct?

A. About that, if I recall, yes, sir.

Q. Which is really your overhead in operating the commissary?

A. That is correct.

Q. And that really is one of the main reasons for delivering food for 60c which would ordinarily cost \$1.20?

A. That is correct.

Q. Actually then, it is a part of the cost of the food, is that it?

A. That is correct.

Q. It is not a loss; it really goes into the relief rolls, does it not, that is, to the people?

A. That is correct.

Q. In other words, that \$6,000 that you spend in the commissaries really goes on relief because it makes it possible to give this additional amount of food to the people who are on the relief rolls?

A. That is correct.

Q. What does it cost to operate your wood yards? That \$6,000 a month is the commissary, isn't it? About what does it cost for the wood yard?

A. I would have to refresh my memory on that, Colonel. Let me ask the auditor if it is in the audit. Did you separate the wood yard in your audit? (No response interposed.)

Q. Well, I don't know that that is very important.

A. I think it is a considerable item. I can't say but I think it was considerable.

Q. As much as \$3,000 a month?

A. Yes.

Q. That goes into relief, wood, doesn't it?

A. It does.

Q. This wood is issued to those people?

A. That is correct.

Q. Therefore, it is not properly administrative any more than the commissary?

A. No.

Q. So you have got anywhere from \$18,000 to \$19,000 a month charged up which has been set up as a charge against administration which actually goes into relief. Is that true or not?

A. Yes, sir.

Q. Now, some testimony has been offered here relative to the payroll during August. It was testified that it amounted to \$64,484.08. Is that correct?

A. Yes, sir; that is correct as to the testimony.

Q. How many people, how many heads of families got a part of that money?

A. I would say something in the neighborhood of 10,000 heads of families, Colonel.

Q. About 10,000 heads of families participated in this \$63,000?

A. Something in that neighborhood.

Q. What was the minimum amount that anyone of them got, if you know?

A. I would say about \$2.25.

Q. What do you think was the average amount that they got?

A. Is that the weekly average?

Q. No, I am talking about per month. It has been testified that an average of \$3,000 was contributed; what I want to get at is how many people got it and how it was distributed.

A. The average those family heads got was about \$4.50.

Q. About \$4.50. This \$64,000 was distributed among some 10,000 people, is that correct?

A. That is substantially correct, yes, sir.

Colonel Westbrook: I have no further questions.

Senator Regan: Mr. Chairman.

Chairman Purl: Senator Regan.

Senator Regan: Mr. Wendler, one question has been recurring here several times. You seem to be pretty familiar with it and I would

like to get some information from you; it is with relation to this \$20,000,000 bond issue. Now, if the people throughout the State, whole families of the cotton picking class went out and picked cotton, whenever they did so they earned a little more money than you paid on relief. That has been going on in the State for years; folks, when the cotton season opened up, they went out and earned a sort of nest egg to tide them through the winter?

A. That is right.

Q. In discussing one county, I remember Cameron County, the situation existing in Cameron County might also apply to yours. I want to get your idea. It was stated that in Cameron County about 2,000 families were back on the rolls in August because the cotton picking season had been shortened, and they had to go back on relief. I wonder if any of those cotton picking families that you sent out from San Antonio completed their job of picking cotton—whole families who picked cotton, earning more money than they get on the relief rolls, I want to know if they are immediately placed back on the relief rolls when they come back from the cotton field?

A. That is one thing we have had in mind. Of course, we have tried to safeguard against it. When we send those people out, when they leave for the cotton fields, we try to have them to report to our employment agency, but of course many of them just pack up and go and we have no way of knowing that they are gone, we just judge that they have gone to the cotton field. But we make a record of it in our case record and we tell them they need not expect to come back on our rolls until away in the winter, December. Our original plan has been that when we knew a family had gone to the cotton field, we would not let them come back until we knew they had used up the little sum they may have accumulated.

But we are up against this situation. We know that many families who went out expecting to get two or three months cotton picking did not get that much. The territories, around San Antonio, at least, were flooded with pickers, the highways and trains were full of people who

came there unsolicited, and the cotton fields were full of families and those families that went out from San Antonio to pick cotton expecting to be there two months or more were there one week or possibly two weeks because the cotton was all picked out and they had to come back. That is one of the situations we are up against.

Senator Murphy: Mr. Wendler, prior to the time that Mr. Alsbury took over the office of County Administrator, who was in charge of the administration?

A. We already had our set-up and I was executive secretary of the committee and filled the position that Mr. Alsbury now fills without his authority. The administrative duties down there rested on the whole committee as we understood. I merely saw that their policies were carried out.

Q. You performed practically the same duties then that he is performing now?

A. Yes, sir.

Senator Woodward: Mr. Wendler, have you or could we secure from the auditor or from the reports a statement of the persons from whom supplies were purchased by the commissary during August and the amount of the purchases from each one of those persons?

A. Yes.

Q. I believe you stated there were usually twelve to fifteen who bid?

A. Yes.

Q. I presume those were sealed bids?

A. Yes.

Q. And from one man you would get a contract for potatoes and another one would have a contract for cabbage or something else?

A. Yes, sir.

Q. Would it be much trouble for you to furnish us with a list of the salesmen, that is, the sales companies during the month of August?

A. We have with us in the files vouchers and purchase orders, everything covering those purchases for the month of August. We have all of that there. It might take some time to go through and arrange it in an intelligible manner, because during the month of August you will find the canceled checks, original purchase orders, the invoices

and the vouchers on everything that was brought.

Q. Don't you keep a separate record showing the firm from whom certain purchases were made and the amount paid?

A. We don't keep purchases from one firm separated from purchases made from another firm. We have the entire purchases for the month of August there, and if anyone wants information or questions, for instance, the purchase of 20,000 pounds of potatoes, we can go there and show it. We have the purchase order, the order number, the canceled check at the office of the manager of the commissary. We don't separate it into accounts.

Q. The canceled checks will show the amount of money paid to each one of the several or all of them that you purchased supplies from for the commissary during the month of August?

A. Yes, sir.

Q. Would that be a very large number of checks?

A. I don't think it would be tremendously large.

Q. For instance, you can show, as an illustration, that Bill Jones was paid so much money for groceries or supplies?

A. Yes, sir.

Q. And John Brown Company so much?

A. We have the canceled checks.

Q. I don't mean to do it just now, but if those are available and you can get it during the afternoon, it will be all right.

A. Yes, sir.

Senator Woodward: I wish you would do that.

Chairman Purl: Any further questions of this witness, gentlemen?

Colonel Westbrook: I just want to ask one more.

Q. Do you have your records over here, the receipts of those people who received cash during the month of August?

A. We have.

Q. They signed for all the money they got?

A. Yes, sir.

Q. Then you have receipts from approximately 10,000 people for cash paid out to them?

A. Something in that neighborhood. We have all of those receipts.

Q. That was for work done, was it not?

A. All of those people who worked that we gave cash relief to were the heads of families.

Q. Do you know what proportion of that was for work and what proportion was for direct relief?

A. The direct relief was somewhat less than a third of the total.

Chairman Purl: Any further questions of this witness?

Senator Blackert: Mr. Wendler, you say you spent about \$60,000 in the commissary last month?

A. Something like that. We have the exact figures.

Q. It costs about \$6,000 per month overhead?

A. Yes, sir.

Q. You say you buy groceries cheaper than the retail groceries do?

A. We have been able to, yes, sir.

Q. How do you know?

A. Because the retail grocers tell us so. On the old committee we had as a member of the committee the manager of the Handy Andy chain stores down there, vice-president, and he told us repeatedly that although he would like to get some of the business, that in many instances we were buying cheaper than he could.

Q. In nearly—

A. In all instances.

Q. Not in all?

A. No.

Q. I have been told the very opposite of that, Mr. Wendler. I don't know. Now, you say you gave \$1.50 worth of groceries that cost \$1.20 at the grocery stores?

A. About 60c worth of groceries, as we bought them, which would run from \$1.00 to \$1.20 in the retail stores.

Q. I have been told the very opposite, Mr. Wendler, that it cost just as much in fact to get it over there at the commissary as it would to get it at the grocery store.

A. That is incorrect.

Q. That is incorrect?

A. Yes, sir.

Q. I personally don't know anything about it. What I was trying to get at was get at the expense. I don't know whether the grocery stores of San Antonio made a proposition of this kind or not, I think it was a discount of 7% or 10%. I was trying to get at whether it would be cheaper or a greater expense to let those people buy their groceries wherever they wanted to, give them a card, I understand the grocery

stores have agreed to give a discount, I believe, of 10%. Don't you think that would save a lot of complaints, and don't you think more would be obtained for the money with that system?

A. You wouldn't save more money, you couldn't give more relief. You may minimize some of the complaints, though.

Q. Minimize what?

A. The complaints. Even though they gave a 10% discount on their retail price, they still could not compete with the commissaries. We can still save money.

Q. But the people would be better satisfied?

A. I don't know that they would be better satisfied. I say we can still operate cheaper with the commissary method. Might I make a statement here? (No objection interposed.) During the time that we were recruiting people to send to the Tree Army, after a boy in a family that was on the relief roll had gotten to his camp and the family recieved his first check, we cut that family off the relief rolls. They were getting \$25.00 a month. I have had any number of members of families who had been cut off the rolls to come and ask if they couldn't buy out of their \$25.00 in our commissary; that they did not realize how much they were getting until they got their little \$25.00 a month, and went out into the retail store and tried to live on it. They asked us voluntrailly if they couldn't buy from our commissary out of that \$25.00 a month.

Q. Well, the groceries that you have in your commissary, where are they issued from, where do they come from? Are they purchased in Texas or outside of the State?

A. We try to favor Texas products whenever we can. We buy also quite a bit of stuff from out of the State. As an example, I paid a little bit more for pinto beans that came from New Mexico rather than to pay a little less for beans that came from old Mexico.

Q. What character of groceries are produced in Texas that you handle there, do you know?

A. I couldn't tell you that, Senator. Now, we buy our vegetables, I judge that most of them come from Texas; I would think that most of the potatoes come from Texas. Salt pork, of course, we buy

from the packers, I don't know whether the pigs originally came from Texas or not. Canned milk and some of those things are not made in Texas.

Q. You have no record as to whether they are produced here or not?

A. No.

Senator Blackert: I think that is all.

Senator Woodward: I would like to ask this question.

Chairman Purl: The Senator from Coleman.

Senator Woodward: You speak of the advantages of the commissary over issuing relief orders and letting the relief subject go where he pleases to buy, of course, you are speaking of that as to San Antonio?

A. Yes, sir.

Q. Do you think that would work in the smaller towns?

A. That is an opinion, of course. I wouldn't think that the commissary system would be satisfactory in a small town.

Q. That would be because of the volume?

A. There wouldn't be the volume.

Q. You couldn't get the prices, there are not enough people on the relief rolls in the small places to justify it?

A. That is correct.

Q. So you were defending the commissary for the larger places whereas the average town of 1500 or 2500 population, maybe 5000 or 6000, it wouldn't work so well?

A. Yes. Senator, I am not wedded to the commissary system. I merely say that the commissary system is the cheapest way to handle it. If you want to spend more money, by all means let them go wherever they want and let the retail merchant get his profit. I say that is the most economical way to handle it.

Q. Of course, after all it depends upon how much money you are going to put into it?

A. Exactly.

Senator Woodward: That is all.

Chairman Purl: Any further questions? If not, you may stand aside. Thank you very much.

(Witness excused.)

Chairman Purl: Who will you have next, gentlemen?

Senator Woodward: Mr. Chairman, as far as I am concerned I

don't care to hear anything more about the San Antonio situation, except the information we called for yesterday and which we called for this morning.

I think it would be well for Mr. Westbrook now to finish his explanation concerning the report.

Chairman Purl: I think Senator Rawlings asked for some information from some employees.

Senator Woodward: I asked yesterday for a report of the employees during the month of August, the money they received, the time that they worked and the service they performed, the class of service.

Chairman Purl: You want that information now?

Senator Woodward: No, the auditor said he would have it for me today.

Chairman Purl: What other witnesses from San Antonio do you want to call?

Senator Woodward: As far as I am concerned, I don't care to hear any more about San Antonio.

Senator Martin: Mr. Chairman, if there are no objections I would like to introduce a sworn statement of Anne Lynch with reference to her training for the particular kind of work she has been doing and also the telegram from N. B. Bond. If there are no objections I would like to have it read.

Chairman Purl: If there are no objections it will be read and placed in the records.

Senator Collie: Is this the one from Houston that was testified about by Dr. Gibson?

Senator Martin: Galveston.

The following were read by the secretary:

Sworn Statement of
Ann Lynch.

I, Ann Lynch, do solemnly swear that I was born April 11, 1903.

I finished high school in 1921. I received a B. A. degree from Rosary College, Chicago, Ill., in 1925; attended the National Catholic School of Social Work, Washington, D. C., during the scholastic year of 1925-'26 where I received a certificate for work done in the family field.

I worked with the United Charities in Washington, D. C., doing field work during the school year. At their request I stayed on during the summer and acted as substitute

district secretary in that city.

In September, 1926, I went on the staff of the Family Welfare Association, Milwaukee, Wis., as a visitor; and I had some supervisory work while with that organization. In June, 1929, I resigned from the Family Welfare Association and went on the staff of the State Public School, under the State Board of Control of Wisconsin, where I was employed until August 15, 1933. During the time I was in the State Public School I had the care, direction, and placement of dependent children, and experience in rehabilitating families whose children had been taken from them by the court. For several months I acted as head of the social service department had had entire supervision of the staff of social workers.

I am a senior member in good standing of the American Association of Social Workers.

(Signed) ANNE LYNCH,

P. E. GILLILAND, Witness.

Sworn and subscribed to before me on September 27th, 1933.

E. P. DeBANG,

Notary Public, Galveston County, Texas.

D431 62 NL Collect—Oxford, Miss.,
27

1933 Sep. 27, PM 8 18

Colonel Lawrence Westbrook,

State Capitol, Austin, Texas.

Relative to Bexar County Protective League my Washington Report dealt only with their charge against Relief Administration my findings were negative Stop Mayor Quinn of San Antonio assigned a special investigator to gather information on the League I suggest that you have the Mayor put you in touch with this investigator it might be worthwhile to investigate the income of President Rail Stop

N. B. BOND.

Chairman Purl: The Chair would like to have two telegrams read at this time. If there are no objections we will read my copies first and then the answers.

(The following telegrams were read by the secretary.)

September 25, 1933.

Hon. Frances Perkins,

Secretary of Labor,

Washington D. C.

Please advise me by wire whether

or not the department has issued a bulletin for the month of September similar to one for July serial number R twenty-two titled Trend of Employment Stop Also please advise whether or not the trend of employment for the coming winter months will increase or do you look for more unemployment this winter that last Stop This information will assist the Senate sitting as a Committee of the Whole considering relief measure for the State of Texas Stop I appreciate your tremendous duties but will appreciate as early reply as practical Stop

GEORGE C. PURL.

Chairman, Senate Committee of the Whole of the State of Texas.

Au 2 103 Govt—Au Washington DC 26 956A

33 Sep 26 AM 10 07. .

Geo. C. Purl, Chairman,
Senate Committee of the Whole
of the State of Texas.
Austin, Texas.

The Department of Labor issued a preliminary report on Trend of Employment for month of August on September fifteenth showing an increase in employment of seven hundred fifty thousand workers of which three hundred eighty thousand found employment in factories and three hundred seventy thousand in sixteen non-manufacturing groups covered by Bureau of Labor Statistics Stop Copy of preliminary report being mailed today Stop Final bulletin available in about ten days the department has no evidence showing trend of employment for coming winter months Stop Increase of employment March through April approximately two million two hundred thousand workers in industries covered by department.

FRANCES PERKINS.

Austin, Texas, Sept. . . ., 1933.
Honorable Harry Hopkins,
Washington, D. C.

The Senate of Texas meeting in special session has resolved itself into a Committee of the Whole Senate to inquire into the expenditures heretofore made in Texas both Federal and State funds with a view of determining what character of legislative relief the State of Texas shall adopt in the future regarding the expenditure of all or any part of the twenty million dollar bond

amendment recently adopted by the people of Texas Stop As Chairman of the Committee of the Whole Senate I believe from the trend of questions propounded, that members of committee would like to have a definite statement from you, although I have not been empowered to propound such questions, as one member of the Senate representing Dallas County I would like to know whether or not the administration would authorize any Federal funds to be used for the following or similar purposes:

Constructing and or maintaining lateral roads that now exist or are contemplated as a part of the ordinary and usual programme of the different commissioners' courts of Texas, said roads would no doubt be repaired or constructed now if taxes and valuations would permit Stop Same question as applied to paying or repairing city streets; city county hospitals; repairs and or enlargements of State Insane Asylums and other eleemosynary institutions Stop If your answers to these questions are in the negative would you be permitted under existing Federal laws and if so would you be willing to open up these questions for review and if the facts justified it after a full hearing alter or readjust your rules to permit Federal funds to be spent in conjunction with State funds on an equitable basis for the above mentioned or similar projects? Will appreciate your views on this most important matter at your earliest convenience Stop

GEORGE C. PURL.

State Senator, Austin, Texas.

D432 112 Govt. NL Washington DC
1933 Sep. 25, PM 8 30

Hon. George C. Purl,

State Senator, Austin, Texas.

Work relief wages Federal funds can be used to pay relief wages on public projects Stop We do not approve wages on erection of buildings but on other projects indicated by you this proper expenditure of funds provided those so paid be selected on a relief basis after competent investigation of our relief workers Stop Federal funds cannot be used for materials Stop If any part of the State fund is to be used for materials on work relief projects which we approve believe it should be limited in amount important

thing is that this twenty million dollar bond issue be used for relief of unemployed not as public works measure Stop

HARRY L. HOPKINS,
Federal Emergency Relief Administrator.

Senator Rawlings: Mr. Chairman, I wanted to request that we send for Mr. P. M. Brinker of Dallas I guess for tomorrow. If it is satisfactory to the committee I would like to have a subpoena issued for him.

K. S. Wendler returned to the stand and testified as follows:

Senator Small: How many people do you have bonded in San Antonio?

A. I am bonded, the storekeeper is bonded; we have about 4 or 5 persons bonded if I remember correctly. They were all put under bond way back in the beginning and all those who handled cash particularly, or those who had responsible positions were bonded.

Q. How many would you say there were?

A. Four or five.

Q. Is everybody bonded over there that handles any money?

A. So far as I know, they are, yes, those that dispense supplies or groceries so far as I know or such things are in the process of being bonded. New people who have come in are in the process of being bonded. I turned over a list the

Q. Well, could you furnish a list of those who are bonded, and give their titles?

A. I believe I could call the office in San Antonio and get it. Off hand I can say that there is myself—either bonded or in the process of being bonded—myself, Harry McBeth, the manager of the commissary, Mr. Palmer, the posting agent, Mr. Rochester, and a Mr. Bruce, I believe, who handled the cash payroll during the month of August. Mr. Graves was in the process of being bonded, I believe. I believe that is all.

Q. What I am getting at, I want to know whether or not all the people who handle money or supplies or give the orders for the money or supplies are under bond.

A. Not all those who give orders, only the people in charge of keeping those are under bond.

Q. What safeguard do you throw

around a man who issues those orders?

A. We have no safeguards around him.

Senator Small: That is all.

Thereupon Senator Woodward moved that the Committee of the Whole stand at recess until two o'clock. Thereupon the question was put and the motion prevailed.

Afternoon Session, Sept. 28, 1933.

Chairman Purl: The Committee will please come to order.

Senator Rawlings: I ask for a roll call to find out the absentees and notify them the Senate is in session, otherwise I am going to ask for a call to bring them in.

Chairman Purl: I think a roll call will be better later in the afternoon to see who are interested enough to stay here.

Senator DeBerry: I move we have a call of the roll and the ones who are shown not to be here that they be contacted by the Sergeant-at-Arms and he ask them to come here.

Chairman Purl: Rule 77, pertaining to the Committee as a Whole, provides that the rules of the Senate shall apply to the Committee as a Whole as far as enforcing the attendance of Senators is concerned. We will call the roll to see whether or not there is a quorum and if not we will take steps to bring in a quorum.

Whereupon the roll was called.

Chairman Purl: There is a quorum present, 22 here. Colonel Westbrook I understand you talked with the Committee and they have permitted you now to put on a witness you have wanted to put on. If there is no objection that will be the procedure.

Colonel Westbrook thereupon resumed the stand and testified as follows:

There has been a number of questions asked here indicating on the part of some of the members of the Committee some question as to the necessity for adequate case work.

Senator Woodward: Mr. Wendler from San Antonio I think, wanted to complete an explanation he was making and I don't think it will take but just a few minutes. Do you want to come now?

K. S. Wendler thereupon resumed the stand and testified as follows:

Chairman Purl: Go right ahead with your explanation and whatever you had in mind.

A. After going out to lunch and reviewing the statements I made here this morning I felt there was a little supplemental explanation I wanted to make merely to keep the records entirely clear. I stated in response to questions that it would take some four hundred and fifty employees in San Antonio to administer relief. I want to amend that by saying that it does not take 450 people to actually dole out the groceries and give them the case work, but takes the 450 if you carry on in our county a complete work program.

Many of these are going to be time keepers, people in the wood yard and gardens and not actually distributing relief. That is not a necessary expense of administration unless you consider it is absolutely essential that a man work. If you cut down that work you would cut down the number.

Senator Woodward: You are continually referring to San Antonio. Do you mean that to carry on relief work only in the city of San Antonio or in the entire county?

A. The entire county.

Q. What per cent of the population of the county is in the city?

A. The total population of the county is about 375,000 and the city has some 290,000.

Q. Nearly a hundred thousand scattered over the county in various parts?

A. The great bulk is adjacent and abutting against the city but not within the city limits.

Q. Your relief covers the entire county?

A. Covers Elmendorf and various sections of the county.

Q. All the people on the relief board are not living within the city of San Antonio?

A. No, sir.

Q. You have to go outside?

A. Yes, sir. One other matter I want to voluntarily clear up. Yesterday in the discussion about a report made by Mr. Graves involuntarily and I believe unintentionally the impression was left that he was inefficient and had done a bad report. That report went back to San Antonio where he lives and the papers have broadcast the fact that he did a bad job and was let out. That is anything but the truth. I was in-

strumental in hiring Mr. Graves last April and I know he was very honest and efficient.

He did not do a bum job. The report he turned in and which has been before the Senate with regard to the cost of administration was turned in because of a misunderstanding between his office and the Austin office as to how administration should be classified. He understood one thing and they understood another thing; so when he made a report, not an audit, he threw in the administrative costs when he understood should be the interpretation and his interpretation was apparently wrong. The auditor of San Antonio interprets them still another way and shows administrative cost of \$4,000.00.

He was not inefficient and was not let out. I knew he was going to leave before he resigned. His letter of resignation stated that he had something else in prospect. He was not forced out; he was not inefficient and was not forced out. In his home town the impression is out that he was fired and did a bum job.

Chairman Purl: I never have asked that anything be given publicity, but in behalf of that gentleman, I think the paper should carry some reference to that at least.

Senator Rawlings: Who is the Collins Company in San Antonio?

A. Wholesale grocery company.

Q. I see several checks here; I suppose they are for supplies to the commissary?

A. Yes, sir.

Q. I find several checks to Kinney Graves, various amounts around a thousand dollars each marked Cash Distribution and indorsed Kinney Graves on the back of the check, which indicates he cashed it and got the money without any indication that it went into any particular funds. Can you explain these checks?

A. Yes, sir; \$60,000 we were drawing to allocate and—

Q. (Interrupting) I want to know who got the money and what he did with it, these particular checks?

A. Mr. Graves issued these checks and paid it out to persons who were qualified relief subjects at the rate of \$4.50 per family or \$2.25 to the non-family person when he had a proper order for that money from the Welfare Department and each one of the checks is supported in these files by a receipt from that

person. If he drew a thousand dollars we have signatures from qualified relief subjects stating they got in various amounts to a thousand dollars. We did not want to write 10,000 checks of \$2.25 or \$4.50 and thought the economical and most satisfactory way to handle it was to go to this man and give him a check for \$1,000 and cash it, and give it out and account for that thousand dollars with proper receipts from those subjects.

Q. Are those receipts segregated so you can trace them back?

A. Yes, sir.

Q. Are they here in the files?

A. Yes, sir.

Q. Can they be made available to the Committee?

A. Yes, sir.

Senator Murphy: Mr. Wendler, it appears that on August 4 a check for \$10,000 was made payable to the Central Relief Committee Payroll Fund, August 5 a similar check for \$10,000, August 7, \$20,000, and August 7, \$7,500. Why were those checks made in those amounts and during that brief period of time?

A. It was during that period of time that we were distributing this cash to those very people on the relief roll. That cash distribution went on for only a period of about two weeks during August.

Q. August 7 there was \$47,500, and all of that was made to the same committee, was it not?

A. The same payroll fund.

Q. All of them were made payable to the Central Relief Committee Payroll Fund, were they not?

A. Yes, sir; that is correct.

Q. Why didn't you make this \$47,500 in one check?

A. We transferred it to the payroll fund only as we needed it.

Q. Did you need \$47,500 in three days?

A. Yes, sir.

Q. How was that?

A. Because that period is the period that we were paying out cash to all the persons on our relief rolls and—what was the date, August 7?

Q. August 4 to the 7th.

A. Prior to the seventh we had the payroll to meet that was represented by these checks out of the same payroll fund and transferred out of the general fund to the payroll fund sufficient money to pay the checks and pay these people on the relief rolls.

Q. Will you state how long it took you to disburse this \$47,500?

A. If I remember correctly it took something like two weeks. Might I offer a little explanation: It was transferred out of the general fund to that payroll fund and then the money was paid to persons on relief, to family heads. It was transferred first from the general fund to the payroll fund and then as the various paymasters needed it it was drawn from the payroll fund to them. If they were paying cash it was given to them in cash, a thousand or fifteen hundred dollars at a time.

Q. Do you also have the supporting checks showing the disbursement of this money by these paymasters?

A. The paymasters did not disburse it by checks. There is copy of a disbursing order or work card which is receipted like a check.

Q. I notice August 4 check was payable to E. A. Watson, Central Relief Committee paymaster for \$2,500. Was that paid out in odd quantities?

A. In cash.

Q. How is it receipted for?

A. By receipting the work cards or disbursement orders.

Q. Is the same true of E. R. Brooks?

A. Yes, sir.

Q. Then on August 5, the following day another check was made payable to E. A. Watson for \$5,000; \$7,500 was paid to him there in two days?

A. Yes, sir.

Q. Is he in the central office there?

A. We had two pay auditors, as that being in cash we started the first two or three days and it was handled by Mr. Graves himself, who was the auditor, but it became much too large a job for one man to handle so we transferred Watson and Brooks and made two cash paying offices one of which was in the basement of the court house. I have seen 1500 people in line at the court house waiting there for their \$4.50 or \$2.25 all one day.

Senator Rawlings: When did you start this system of drawing the money out to Mr. Graves and letting him pay it out in cash?

A. If I remember correctly the first of that cash paid to relief sub-

jects was the last week of July. The last day or two in July we paid out some two or three hundred dollars.

Q. Then on August 25 checks to Kinney Graves, cash distribution, \$1,000, August 30 another one to same party for \$1,000. There are several of those checks along about that date which you say you reached down in your pocket and gave them \$2.00.

A. If they had the proper request card.

Q. I understand they had to be qualified. I notice little checks all through this stack; Standard Grocery Company, \$1.30 what did that cover?

A. After Miss Kolling came to San Antonio and as a matter of fact all the way through at various times instead of giving a person an order on the commissary we would give them an order on the grocery store. That check, the number of that check will correspond to the number on the voucher which will show who got the groceries involved. There was a relief subject who was given an order for one dollar and whatever it was and in turn they took the order to the merchant, received their groceries and receipted for it and surrendered the order.

Q. Have you not testified that in order to get away from writing all these checks it was decided to let some person go down, like Mr. Graves, and get the money and give the cash? While you are doing this your accounts are interspersed with small checks all the time at the very period you say Mr. Graves was making cash disbursements.

A. There is no duplication in the relief. In one case we were giving cash and in other cases we were giving an order for groceries and the grocery man comes down and presents us with a disbursing order properly receipted by the relief subject and we reimburse him by check. If he was a popular grocery man he would probably accumulate them and have probably 15 and we would pay all of them with one check.

Q. Here are a few checks, August 10 to R. Verschelden for \$65.00. Do you recall what that was for?

A. For what?

Q. \$65.00 was the amount?

A. I haven't the slightest idea.

Q. Do you know Verschelden?

A. I haven't the least idea what it is for but from looking at the name I judge that must be one of our Belgium farmers from whom we bought quite a lot of vegetables.

Q. Here is a few others, August 10, No. 2462 for \$532.60 made to Mr. C. Verstuf.

A. Senator, wouldn't you like for me to get the auditor to check up that outfit?

Q. One to C. two, B. two, H. two, M. two. A series of them amounting to several hundred dollars and a series of them to the Vandehendes, Joe and Frank and H. and G. About four of those which amounts to several hundred dollars.

A. The auditor is going to get the vouchers and the order numbers and so on and so forth.

Q. I will ask this while he is looking that up. August 10, number 2459, \$1,089.50 to Mrs. L. Thint-out.

A. I am quite sure that is for vegetables. There are quite a colony of Belgian truck farmers outside of San Antonio and we buy quite a lot of stuff from them.

Q. What are they supported by?

A. We have the original requisition; we have the order of purchase from the purchasing department, we have the receipt from the commissary, we have the vegetables we received and I believe finally the canceled check from the vegetable grower.

Q. Can you tell us, Mr. Wendler, without looking at your records, approximately the percentage of increase in the cost of commodities since April 1st in San Antonio?

A. We have figured that out on a number of occasions. Mr. Westbrook's office requested us to report the increases and I would have to quote entirely from memory. I would judge there has been since April something in the vicinity, when commodities were at their peak, something like 30% I believe.

Q. About 30% increase?

A. Yes. I know that potatoes went from \$1.25 a hundred to \$3.95 something like that, I don't know, I forget just exactly.

Senator Rawlings: I believe that is all.

Chairman Purl: Any other questions of this witness? Senator DeBerry.

Senator DeBerry: Yes, I would like to ask a question.

Chairman Purl: Go right ahead.

Senator DeBerry: Now, let us go back to that factor of administrative cost. The auditor said that the payroll account had not been included, that is the payroll of the people used in the distribution of this food and funds, but it included those people who were out there. Now, you testified this morning it does not include them. I understood you to testify it would take about 450 people down there to administer and distribute the funds and the food and the medicine, and now you come back and say that includes the personnel of the foreman in the work program. Now, my purpose for wanting to know, I want to try and get that thing as accurately as I can. What I want to find out is whether it is wise or foolish to hire men to distribute these funds, whether it is done by some poor man, rich man, white people, negroes or Mexicans, whether it is one person or twenty persons. Now, you say there are 450 persons, and that is called administrative cost, plus social workers, plus the truck drivers, to distribute those things. Now, what is that percentage as to the number of foremen out in the work program?

A. Out of a staff of 450, I think 150 of those just roughly speaking, 150 of those were used in various work projects like wood gangs, foremen on various sanitary jobs, routing clerks, etc., who are necessary because you are asking a man to work for his relief.

Q. Well, at the present time, do you know how many of them that are on your payroll that are connected with the work program as foremen as you describe them?

A. No, I don't have anything to do with the work department.

Q. How do you arrive at that?

A. I am speaking of my knowledge of operations back in former months when I was more or less in charge of the program down there.

Q. If we ever decide that we wanted to set up some kind of machinery to include the distribution of funds and medicine, how are we going to find out what the administrative cost is so the people will know how much it costs to dole the

stuff out, to get it out; how much it costs to put on a work program.

A. My opinion is it would take about 300 people to distribute it.

Q. That is what it would take, what you think it would take, but you don't know how many it would take?

A. I think that is a fair estimate.

Q. Do you know how many people were on the payroll down there, not on the 1st of September, but since the 1st of September?

A. I imagine that there are on the payroll now something like 290 of those people.

Q. About how many of them do you suppose are engaged as foremen on jobs handling the work program?

A. Very few now. Our work program is practically shut down.

Q. How many that were on the payroll on September 1st, I think you testified there were 654 of them; what percentage were foremen in the work program.

A. I would say 150 or 175, something like that.

Q. You had a heap larger work program up to the 1st of September than you have now?

A. The first week of September we began cutting our work program down.

Q. How many would you estimate now are on the work program?

A. I haven't any idea, very few.

Q. Well, let us put it at some little figure.

A. Since I don't have charge of the Work Department, I cannot give you any figures other than my opinion.

Q. What work program was in effect that took 150 of those foremen? What big program was that that required so many foremen?

A. We were running our wood yard program, we were tearing down buildings at Fort Sam Houston to get some lumber, we were running a garden of 290 acres, we were doing considerable sanitary work.

Q. If you had 650 and you were to take off 150 for the work program, that would leave about 500 in that distribution administration procedure at that time. Why was it that was so much larger then than it is now?

A. We had in that 500 employees many, many people who worked no more than two or three days at a time. Maybe a person would come in and do some little job, tabulating, auditing job. You must understand that we are undergoing a complete reorganization of our entire program. Plans have been drafted and approved. There were many, many people called in to do two or three days work for the main organization, opening branches, etc.

Q. Well, if we can't find out about what it costs to administer and distribute these funds down there, without some explanation, of this audit or the books don't mean a thing in the world to us, do they? We couldn't get anything out of the books.

A. Yes, you could get the auditor's interpretation of how much it cost.

Q. I don't want it interpreted, I want the facts and figures.

A. I think he misunderstood your question; he was possibly mixed up on your question.

Q. Possibly so. I am right back where I started. I don't know any more now than I did at first. I don't know of any way that I can get it unless I ask for somebody's opinion.

A. Unless you want to analyze the payroll, look into the status of the men, the kind of work they did.

Senator DeBerry: We asked for that yesterday, I don't know when it is going to get here. I still think that the people ought to know what it costs to get food to people who are hungry whether it is carried by sick people, well people, poor people, rich people, white people, black people, because everybody that has sense enough to get in out of the rain knows that if you have to hire somebody to distribute those funds, that food, it has to go in the administrative cost. That is all.

Senator Murphy: Mr. Wendler, did you testify this morning as to the payroll of the wood department?

A. I believe I answered some questions on that, yes, sir.

Q. What did you state that to be?

A. I think I stated it to be somewhere in the neighborhood of \$2,000 or \$3,000, something like that.

Q. \$2,000 or \$3,000. Now, Mr. Wendler, I want you to take this re-

port of Colonel Westbrook's here, look through that list of 253 men and women and see if there are more than two managers and assistant managers in that list of 253 employees who are connected with the work department. Look through that list, please.

A. Now, you know I don't run the wood yard, Senator. I don't have anything to do with the payrolls, and I don't suppose I could pick out those people, that is, the clerks and truck drivers.

Q. And case workers?

A. Whoever was doing the work in the wood yard.

Q. The others are listed as to what branch of the administration they are connected with, aren't they? Case workers, filing clerks, auditors, manager of the wood department, assistant manager of the wood department.

A. I have never seen this report. I don't know how it was compiled. I don't know what it was. As a matter of fact I don't know anything about it.

Q. Well, look at it. You do see "Manager of Wood Department." You have—who is that—Kenworthy?

A. Kenworthy.

Q. What is his salary?

A. \$80.00 a month.

Q. The assistant manager of the wood department, what is his name?

A. Maxwell.

Q. C. A. Maxwell. What is his salary?

A. \$70.00 a month.

Q. Look through that list of employees, you know of their work, you don't see anybody else that appears to be connected with the wood department on there, do you?

A. No, sir, I don't.

Chairman Purl: Any further questions?

Senator Murphy: That is all.

Chairman Purl: Any further questions? (No response interposed.) If not you may stand aside.

(Witness excused.)

Colonel Westbrook: Mr. President, and Members of the Committee, as I started to say a minute ago, there have been a number of questions asked me indicating that the members of the committee desire more information, than they have, relative to the necessity for the in-

vestigation of families. In order to give the members of the committee as much information as I could along that line I have asked Miss Pettinger, who has been active in the city of Fort Worth in that type of work, to come down here and give you an explanation of why it is necessary and the results that are obtained through case work. Miss Pettinger is an employee of the city of Fort Worth and not of this organization. I have not discussed her testimony. I only know that she is a very competent witness and when she comes up I will ask her to qualify herself so you will now what experience she has had in this respect.

Thereupon Miss Gladys Pettinger was sworn to tell the truth, the whole truth, and nothing but the truth, and testified as follows:

Colonel Westbrook: Miss Pettinger, will you please give your full name and your address and your duties.

A. My name is Miss Gladys Pettinger, 1517 Eighth Avenue, Fort Worth. I am supervisor of Case Work Relief Department Public Health Welfare, Fort Worth.

Q. How long have you occupied that position?

A. Since December, 1926.

Q. What method of distributing relief funds is now used in the city of Fort Worth?

A. When an applicant applies either personally or is reported by someone else, we try to give such immediate need as is necessary; following that we try to have an interview with the person, the head of the family, if it is a family, a man preferably, if not a man, some thoroughly responsible person who is of the family; we talk over their problems with them. That might be done, either in the office of the case worker or in the home. We try to make home visits whenever possible, and as soon as possible, of course, sometimes, due to the rush of things it is not always possible. Following that, if they are in need of immediate groceries, we give them immediate groceries; if they tell you they are to be evicted because they haven't the rent money, we give them the rent; and if there is sickness or illness, we give physical aid or medical aid, and following that we try to work out with the family some

plan whereby we may help them with their problem. That relief may be for three months, for a year or three years relief, or we may be able to get some member of that family a job within a few days. You can't determine the length of time necessary for rendering that relief.

We have, even in the rush of things, tried to base our relief on a purely relief basis and not because somebody called up and wanted us to do something because they knew so-and-so.

After talking to the individuals, we sometimes find out that they belong to another organization, or that they have people belonging to some Masonic organization and as you know the Masons usually care for their own. When we find that we transfer them back to their organization. We do that to encourage rehabilitation in the State of Texas.

Q. The purpose of this work then, as I understand it, is as soon as possible to get those people off the relief rolls into a self-supporting status, isn't it?

A. That is our purpose. Never at a time like we have had, has there been a time, such as we have had during the past year, when people have not only had to be put on a financial basis but their morale is terribly upset.

Suppose a person comes to you wanting work, it is a problem that has to do with their social life, some part of which goes to make up their life, which we call human nature. Now, we have no especial interest—I mean we look upon people today like the doctor or surgeon, you might say, and try to get at the cause, cut out the cause, get these people back on their feet not only financially, but otherwise. Our greatest problem, I think, has not been so much getting them back financially, although we are trying to do that, as getting them back on their feet.

Q. What do you think would be the effect of distributing these relief funds, from your own experience, without the aid of these case workers, without them conducting or making these investigations, doing what you call case work in connection with the distribution of the food? What would be the effect on the individual?

A. I think if we had time to go back into the history—the last wit-

ness's statement will give a little help along that line. It is a very bad policy to try to distribute funds to people that you know nothing about. It not only pauperizes them but I think it is sure to influence their future lives. The history of relief work clear back to the English Poor Law, is that by getting at the root of the matter we are more quickly able to discourage pauperism. Of course, there will always be some dependents who are like fish and go with the water, but we are not concerned with them; we are concerned with some definite plan to help and aid those people in overcoming their—

Q. In this case work, have you been successful—has your department been successful in rehabilitating any appreciable number of those to whom relief has been extended?

A. I think we have. Although statistics would never give you a basis to arrive at what we have done in building character, but I could cite you to numerous people in Fort Worth who are, we might say, contributing citizens both intellectually and financially, who have at some time or other been given a shove financially by our department.

Q. Have you ever tried distributing those funds with volunteer service in the city of Fort Worth that you know of?

A. No. We have never used or encouraged volunteer aid. We encourage volunteers to work with trained people. We need volunteers, but we do not put such a person on a job from eight to twelve or twenty-four hours a day, because often times those volunteers are too busy to do something; when a person stops they can't wait for him. Anyone who has had experience in handling this type of people knows that they don't wait for anybody. We have never tried it because we have felt that the results would be too disastrous both to our funds and our community and our people.

Q. You said, I believe, people with special training should make these investigations? What is your definition of a trained case worker; what qualifications does a trained case worker have to possess?

A. Well, I think a trained case worker, as a basis, has to have a desire to work with people, and I think they should have some native ability to be of service somewhere, and fol-

lowing that they should have certain educational qualifications. I have known just the reverse to be true, however; some good case workers have not completed high school, but we suggest that a girl have her high school and that she have at least two years college, and preferably sociology, biology, physiology, so that she may know something of her people by observing them, and following that, if she could take a course in social work in some agency.

Q. How many families do you think should be assigned to each case worker in order to get the best efficiency?

A. Well, Mr. Westbrook I think that 200 is quite a load; however, our young ladies are carrying from 400 to 500, but I hate to tell that. I think if any person, if you sit down and figure, it is just a question of so many minutes per person to talk with them and get their story. You should have time to run down their history, inquire of other persons relative to their troubles. Sometimes you will find that a person may be here in Austin applies for relief and there is somebody in Fort Worth who is able to take care of them, but they don't want that person to know. Now, if that person is in Austin, you should have time to stop and dictate a letter to a member in Fort Worth so that the person here in Austin may be properly cared for by their own people.

Q. Does not that also indicate the necessity for more or less uniform system throughout the country, in order that this information may be interchanged between the various agencies?

A. Yes, I think that if we had a uniform system throughout the country, that that information could be interchanged between the various agencies, that it would get good results. I think that we should stabilize the morale of the families and bring out such qualities in them as may be under the surface now, they might be mental, and by making a personal contract with them, I think that many of them could be helped in a great way to help themselves—I think they ought to be taught to walk by their own boot-straps.

Q. Under what circumstances do you give direct relief and under what circumstances do you give work relief—What distinction do you make between the two?

A. Well, based upon the individual needs of the particular case, we make no distinction as to whether it is work relief—if a party is capable of doing work, we try to give them work. If there are those who are incapable of doing work, who are physically unable to do the kind of work that may be necessary or available, then, they would be given direct relief. If a man is able-bodied, and his physical examination shows him to be able to do work, then we feel that he is better off working than he would be otherwise. If there is no man in the family, and we can use the woman at sewing or something like that, but we have not made a practice of permitting women who call on us for relief to leave their babies, because we sort of feel that they have more business at home with their babies and that it would be better for them to stay at home with them than it would be to have someone take care of those children and let the woman go out and try to support them. Occasional we have rather discouraged the matter of women taking their children and placing them in some sort of institution because within a short time it will be so that they will forget, unfortunately, that they have any responsibility in connection with the rearing of their families. If they take a job, we feel that something should be provided for them in such a way that they could be at home at night with their children, because we feel that there is where they belong. We feel that that is primarily the woman's work, and in those instances, we are giving them direct relief in order that they may be with and care for their little children.

Q. What is the process—how do you arrive at the amount of money that you will grant to a given family—what is your process of investigation?

A. Well, the process of determining the amount of relief, the amount of grant in Fort Worth is that if a person is staying at home, we have used the basis of \$2.00 per day for work relief, but it is now 30c per hour where work relief is given. Some people have a standard of living that is much higher than others, and in the case of Mexicans, in their homes, the standards have always been low. They are just barely getting by; then again we may get on

our rolls families where the standard of living has been quite different, and we are trying to give them adequate food, and fuel and things that may be necessary to maintain them in some degree of respectability.

Q. Well, what I am trying to get at is what would be the range—between say, two families of five—what do you think that the maximum and minimum arrangement should be. Say that family A has five people in it, and they have been living according to a pretty good standard, and then take family B, they have been living according to another standard, and at this time they are both destitute—what would be the maximum range of difference in relief given?

A. I should say that their needs are worked out according to their respective requirements. I think a family budget should be worked out which would give to them to some degree, taking all the factors into consideration, they would be approximately the same. That is, the amount of relief extended would be practically the same, but the price would be different. I mean by that this: If in one of those families there may be a person who has tuberculosis, and to properly give relief to that family, they would have to have special food to take care of that person; they would have to have an allowance for eggs, milk, and other nourishing foods, and the case workers there would perhaps see that a nurse was sent there to see that a proper diet was given to that individual; or there might be some aged or infirm person in one of those families who would require certain special attention.

Q. Now, when you do that, don't you, unless a proper investigation is made of the case, subject yourself to imposition?

A. Well we take a chance. We always give emergency relief when the applicant asks for it. Many of them make mistakes; but when a person comes to us for relief we always give immediate emergency relief. We give them enough supplies to last them until we can have someone investigate the case; usually we do not argue with them at all; we give them the relief, emergency relief, and then we try to send some one out to look into their particular

requirements; send someone to their homes, if it is a family case, and we will send someone to go there and have a talk with them, go into the matters, and this is distinctly a work that should be done by a trained worker. We have made it a policy never to withhold emergency relief though until the case could be investigated.

Q. Now do you practice going back to see these families regardless of the individuals, after they have filed cards with your office, and after they have been extended this emergency relief?

A. We feel and believe that by constant talking with the families, and showing them that we are interested in their affairs, visiting their homes, you are going, you are going to get not only a full and complete history of that case, getting into the matter of what has brought about the condition in which they are now situated, but you are going to build up the morale of that family, of that person, and there is where the trained worker comes in to good advantage.

Q. Now when you put people on work relief, do you also use any of them on your staff of the relief organization?

A. We have used this policy; in all matters of filing matters of charging up items, matters of perhaps typing or working along lines of that kind. We have used people who have been able to help us in this relief work because of the training they have had in other lines of work. We have always tried to put people who come to our office for relief on a certain kind of relief work and in some few instances we are using these people whom we think might have a fitness for that character work as case workers. When they are put on case work they will perhaps only be permitted to make the preliminary investigation and if they show a fitness for this kind of work they may be continued for a short time in that line of work. We do not feel however, that we should take their estimate and rely upon that but after they have made a preliminary investigation then we either the supervisor or some one who has had special training to report on that particular case. It takes a person with special training as I have said heretofore

to get into the intimate details of a family that she may be working with. We have a system of writing grocery orders that is all done by little girls who are out of high school and who come to head quarters after school and they are doing that work in a very acceptable manner. Some of them are from some of the best homes and we feel that this is properly work relief and is a kind of relief that should be granted.

Q. Do you extend them the same amount or approximately the same amount of relief as you would extend to those families from which they come?

A. Approximately yes, however, we are now in the early stages of developing this program and it is going to be a difficult matter to work all of these things out.

Q. Regardless of what character of relief they may need you feel that they should be given a certain amount of relief without first investigating these cases—that is in the nature of emergency relief?

A. That does not make any difference with us we feel that when an application is made to us for relief that we should give emergency relief and then as soon as possible thereafter make such an investigation as we deem necessary to have an adequate record on that particular case.

Q. Do you operate any commissaries in Fort Worth?

A. We do not.

Q. Do you furnish forms for the delivery of emergency relief rations or supplies to individuals who are on the work relief program or just how do you handle that?

A. Well, a family sometimes will go on the work relief depending upon the conditions that exist in that particular family we have been fortunate in having several work programs in the City of Fort Worth that have been under the supervision of the engineering department of the City of Fort Worth, there might be five or six in a family that had applied for relief and yet maybe only one member of that family would be in position to do any kind of work and we always tried to furnish emergency relief and work with these if they are available when people apply for work and are able to do it.

Q. Now taking into consideration the facts that you do not operate any commissaries there and the fact that you do not furnish sufficient supervision in the various types of work relief, what do you think would be a reasonable administrative expense in the cities of the State with populations of say one hundred thousand and more and where there is a relief load of say eight thousand families?

A. Administration is a much misunderstood word, Mr. Westbrook, I think, if I may, be permitted that I would like to say that most people when they are talking about administrative expense do not know what they are talking about. I think one of the things most needed in conjunction with this relief program is administrative harmony. It is my idea that only persons of the highest training should be used in the investigation of these cases. I believe that we should have more case workers who are capable of getting into the homes.

Q. How many case workers do you have in Fort Worth?

A. We have approximately only about 25 but they have a number of assistants.

Q. How many on the average of family cases do you assign a case worker on?

A. Well, that would depend largely on who the case workers were. Some of the case workers are able to handle a good many more than others. We have recently added some additional case workers.

Q. Do you feel at this time that you have a sufficient number of case workers to get the job properly done there?

A. No, sir I do not.

Q. What percent increase do you think you should put on there?

A. I think we should have an increase of about one third more. But that is not my job, the director of the administrator handles that matter.

Q. The cost of administration in your city is about seven per cent without operating any commissaries—

A. I might add right here—I was looking over the records for August, we have one case worker who opened up 138 new cases, another who opened up 142 cases making a total of 580, another opened up 83 new

cases and that merely shows the difference in the kind of helpers that you are going to get in this work. Possibly in one section you would need a great many more case workers than you would in another and some case workers are capable of handling a great many more cases than other even in the same territory. All of those are listed here in this report which has been filed and they run all the way from 448, 211, 237 and on like that.

Q. You do not think that they can take care of that many properly?

A. I would not feel that one person could take care of such a large number of cases—it would depend in my opinion on the immediate needs of the particular cases of the care that was needed by those particular cases.

Senator Martin: I believe you say you studied sociology?

A. Yes, sir.

Q. Just for my own information, now, I frequently see a widow whether left such by the death of the husband or otherwise, going around carrying three or four little children and trying to get them into State orphanage or home?

A. Yes, sir.

Q. How many children in your opinion do you think she should have in her charge before it would be more economical for the State to contribute to her and let her rear them, keeping them together, under their own roof, than to take them away from her and place them in a State institution?

A. Senator, I am prejudiced against all orphan homes, because I do not think any woman should be deprived of the care and pleasure and duty of looking after her own children.

Q. Have you ever had any occasion to make an investigation as to what the average cost would be of taking care of those children in an orphan's home?

A. I would say something about like ten or twelve dollars a month. I think you could take approximately thirty or thirty-five a month and care for that woman and all of her children where she could be with them and rear them altogether at home.

Q. Now, if the woman had these three minor children in an orphan

home which the State contributes to supporting and it would cost some ten or twelve dollars per month each to keep them there in order to relieve her for their responsibility and enable her to perform such work as she might be able to do don't you think that it would be much better, a much better policy on the part of the State to care for this woman and her dependent children under their own roof and more economical than it would be to separate them and place them in an orphan's home?

A. Just two days ago we had a case, a case worker was called out to see a woman who had two children and she was attempting to place those children in a private institution at say ten dollars per month to take charge of those children for her. I asked her to take these children back. I felt that it would be better for her to keep those children at home where she could be with them and look after them than it would to have them separated and not have the care of their mother. I think they belong together, at night at least, and if they are placed in any kind of a private institution it is not going to be possible for that to be done. whatever amount of money that might be advanced for the purpose of taking care of those children in an orphan's home while they are dependent minors would not amount to very much. But by keeping those children with the mother while they are dependent minors the value to the State that would accrue from that condition can hardly be estimated. She is the one person who is best fitted and most capable of taking care of those dependent children.

Q. You think then that it would be much better to keep them with the mother and to avoid any separation of the mother and her children that to put them in any kind of institution, either State or private?

A. A mother, or even a half mother, is better than no mother at all.

Q. Frankly, your views in connection with that matter are in accord with my own?

A. We have some people on our relief rolls who have been receiving help ever since I have been with the city. We have carried them every winter. That is true perhaps in

every city. You will have that condition prevailing in every city and that is a responsibility that can not be evaded, but in the work that we have been doing there, we have gotten those who should not be on the relief rolls weeded out to the minimum.

Senator Rawlings: How long have you lived in Fort Worth or in this State?

A. All my life.

Q. How long have you been in welfare work?

A. I took my theoretical, detail work in Chicago; I spent two years in that kind of work, and later came to Dallas and from there was transferred to Fort Worth—transferred from Dallas to Fort Worth.

Q. When did you receive your transfer?

A. 1920.

Q. Do you know that out of all the counties from which we have any reports, I believe that yours' there, Tarrant County is the best. You are making a great record up there we think?

A. Thank you, sir.

Senator DeBerry: I do not know whether I understood you or not about how much relief you extended to a family. You take a man and his family, a man and his wife and say three children. Do you think that if the man and his wife are receiving help, receiving relief from the State, that in addition to doing that that we should provide shoes and clothing for the children to keep them in school?

A. I certainly do. Because, if you do not, it will not be many years until the State will have to provide for the taking care of them in another way.

Q. Have you ever been in the rural districts very much—have you ever been on a farm?

A. I was born on a farm.

Q. Were there any people around where you lived who did not get to go to school all the time—

A. I was a year late getting started myself.

Q. Now, what I am trying to do is to find out whether you think the State is responsible and should keep the living standards up, I want to know if you think that the State is liable for that, where you are going to get the money—you know that

they have got to get it somewhere.

A. I think this. That as long as anybody in the United States that is unemployed has any children in school that all children should be in school.

Q. Well, that is all right theoretically, but who is going to keep them there?

A. You mean where we are going to get the money to keep them there—

Q. Yes.

A. Well, I do not know where we are going to get it. That is a problem that I do not know how we are going to solve.

Q. You know that there are several different standards of living in Texas—the people who live out in the rural districts do not have the same standard of living that the people do who live in the cities—I know that in many of the rural districts of Texas that many boys go to school barefooted—they walk two or three or maybe four miles to school—they do not have the kind of clothes that they perhaps ought to have—I know, I have been there myself?

A. In the matter of clothes, first we try to provide them with groceries, to see that they have sufficient to eat: in the cities it is pretty hard to get a boy to go to school barefooted after he gets up to a certain age; that is brought about by the standard of living which we have established in this country.

Q. Well, they go to school that way in the country districts—

A. Well, you take a boy in Houston, or Dallas or Fort Worth, and there the standards of living have been raised to the point where it would be hard for that boy to go to school if he had to go barefooted. I feel that everybody ought to be fed and provided for if anybody is. I do not think that there should be any favoritism.

Q. Then you think that if anybody goes to school, everybody ought to go to school?

A. Yes, sir; I certainly do. I do not think that there should be any difference made.

Q. You know that Texas is an agricultural State, and in the agricultural sections of the State they have been selling cotton for six cents per pound and trying to keep the standards of living up at that. That

they can not pay the taxes on their farms, if they own them, and live with cotton at that price; what are they going to do to help them pay the taxes to do all these things that you want to do; do you think that they can raise and sell cotton at six cents a pound and pay taxes to keep the standard of living up to where you say it is now; do you think that it is right to do that?

A. I agree with what you say as to the conditions are in the agricultural sections of the State—but I still say that the State owes a certain responsibility to those boys and girls to give them the advantage of an education. If you do not take care of that boy or girl and give them a chance, you are going to take care of them later in your reform schools, in the penitentiaries and in being dependents on the State in some other way. I do not know if we are going to have money to do the things we should do this winter or not. I do not know whether we are going to have any money to buy shoes and clothing for these people this winter or not. If we cannot buy them—they have got to do without shoes this winter.

Q. That is what I am trying to get at. If you do not have the money to buy shoes and clothes and things of that kind to keep the standard of living up, don't you think that you should first buy food—don't you think that you should feed them first—don't you think that it is more of a question of feeding them and not so much of a welfare or social uplift problem?

A. Yes, sir; I think that people ought to be fed first, of course. In some of the places it is going to be necessary for us to provide lunches for those who are going to school—we have different ways of doing that; some plan is going to have to be devised by which arrangements can be made to have them take their lunches with them, or provide the lunches for them at the schools. But I think that we owe it to these boys and girls to send them to school.

Q. I never went to school over four months a year in my life—that might be obvious—I was raised on the farm and I know something about the hard knocks of life; I know what it is to be poor; I know something about what these people out in the rural sections are up against, and I for one am interested

first in seeing that the people are fed first. I am not trying to discredit your work up there; I am not trying to discount it; I am not trying to be unfair about this; but what I am interested in seeing done is to get at some plan whereby the people of the State of Texas who are going to have to pay the taxes to support these charities, to keep up this relief work, how are they going to get the money. A lot of those people who are going to have to pay part of the expense of keeping these children in school and who live in the rural districts of this State, are going to have to keep their children out of school. That is the thing that I am talking about. I think that we should feed them first and then not pay so much attention to this social welfare or uplift work or sociology stuff that we have been hearing so much about around here. I want to see the unfortunates that are going to have to pay the bills taken care of.

A. It is not just so much the question of feeding them. But it is a question of building up their morale and getting them to hold on and not lose faith. We do not want them to let go their hold.

Senator Collie: Some testimony has been given here about the matter of paying rents in some cases. That amounts to about what—approximately how much in Fort Worth?

A. The approximate amount. I cannot give you the exact figures of the amount we spent for rent in August. We only pay emergency rents.

All of our relief workers there are getting to be experts in the matter of dodging the landlords. When the landlord comes in the front door, we are ready to go out the back door. We are getting to be experts at that.

Q. What I am trying to get at is where you are dealing with worlds of people as you are therein Fort Worth, do they investigate the landlords to see whether or not they are helping in this situation, whether when they find out that the relief organization will pay the rents when they are about to put these people out, whether there has been an increase in the efforts of the landlords to evict the people in their houses.

A. We really let the landlord give the notice of going to evict them before we ever take any steps to look after the payment of the rent—

when we do pay these rents, we will not pay the rents for periods in the past. There is a case now where in some cases they are wanting to pay as much as fifteen dollars for a house. We do not feel that we can afford to pay that much for a house; we feel that in many sections of the State that eight or ten dollars is ample for the places they are living in. I do not believe that we should ever allow more than that; we feel that the landlord should contribute part of that—that if we are going to pay any rent that they should take part of the loss—we do not think that we should be called upon to pay rent that has already accrued.

What I started to say we have 1637 on rents in August.

Q. About how many houses?

A. That is against about 7,000 families.

Q. About 7000 houses?

A. Yes. A great many of our people work out their rents and make some adjustments with the landlord.

Q. If you have a policy of paying the rent everytime they are threatened to be evicted you are going to have everybody on the roll?

A. You are going to have to start evicting. I think that it is comfortable to a family to know that they are not going to knock on the door every five minutes a day.

Q. Are you the only witness from Fort Worth down here?

A. I believe so.

Q. What kind of a set-up do you have down there for employing these workers?

A. You mean the case workers?

Q. I don't have reference to the case workers. I mean your work.

A. Oh, the relief work program. A man comes in your office and you determine if he needs help. The case worker makes a determination of his needs and fixes him up for say one or two days. We tell him to report down stairs and he doesn't present his vouchers for his groceries until that is done. Maybe we will have five to seven hundred men going out there each day.

Q. What is the character of their work?

A. Well, parks, city projects; we are especially right now working on a project in the city park.

Q. You have a commissary in Fort Worth?

A. No we do not.

Q. You just give them cash?

A. No we do not.

Q. What do you give them?

A. The only time we ever gave cash was a period of one month, I believe it was in January; the State allowed it. It had been determined the day he is going to work—that is all done by clerical help—he is given a \$2.00 grocery order and up until recently he could take that to any grocery store and select his own groceries.

Q. Those on work relief? Those are the same parties?

A. Yes.

Q. They would go and get the groceries from whatsoever place they wanted to?

A. In the beginning but yesterday the auditing department was asked that we itemize the originals. We had been giving them the chance to get them wherever they wanted to. But now if they are going to get \$2.00 in groceries they must itemize it. We used to didn't care whether they got potatoes this week or tomatoes next week.

Q. How many are there on the relief rolls of Tarrant County approximately?

A. I should say 10,000.

Q. Approximately 10,000? Is that the city of Fort Worth?

A. About 10,000 taking in the county.

Q. How many workers do you have, I mean case workers?

A. We have 20 of what we call or classify case workers.

Q. Now how many do you have in all employed?

A. I would have to add them up.

Q. Just approximately?

A. Approximately I would say 40. Recently the last few days we had to enlarge the bookkeeping staff.

Q. You have had lots of experience in this kind of work? I believe you testified you had been in it since at least 1920 in Texas. In your opinion could that be handled in Tarrant County and Fort Worth at least as effectively in Fort Worth by voluntary workers as it would under your present set-up?

A. No.

Q. Do you think it is essential to have some paid case workers to handle this situation?

A. Absolutely.

Q. Now, some members wanted me to ask you this question. What is your salary?

A. \$175.

Q. What is the total expense, I mean administrative expense in Tarrant County? Do you know?

A. I do not. It is on file.

Q. You classify your salary and all the case workers as administrative expense?

A. Yes.

Chairman Purl: Stand aside please ma'am. Thank you very much for the information.

(Witness excused.)

Chairman Purl: Colonel Westbrook, you want to put on another witness?

Colonel Westbrook: These witnesses I haven't consulted with. I called them on account of their specific knowledge of the matter. I will ask A. B. Cox, head of the Department of Business Research at the University to take the stand.

A. B. Cox having been duly sworn by the chairman to tell the truth, the whole truth and nothing but the truth, testified as follows:

Colonel Westbrook: Will you please state your name and the position that you occupy out at the University and your duties.

A. I am A. B. Cox, Director of the Bureau of Business Research at the University and teach in the School of Business Administration.

Q. In that capacity, Dr. Cox, do you conduct surveys of business conditions on the trend of employment in the State of Texas?

A. The Bureau of Business Research is so operating with the Bureau of Labor Statistics of the United States Department of Labor, and we report monthly data on employment and payrolls from about 950 to 1000 firms in Texas every month.

Q. Just from memory can you give the trend of employment for the past few months, Dr. Cox?

A. As I recall the figures, the low point in employment occurred in February and from that time forward the trend has been upward. There was a slight decline in August but that was a seasonal decline; the September figures which we have just published show a 4 per cent increase over August and a 10 per

cent increase over September last year.

Q. About 10 per cent industrial employment and commercial than there was this time last year?

A. Yes that is correct.

Q. Now Doctor Cox do you know how many people approximately are engaged in the harvesting, marketing, and transporting of the cotton crop in Texas?

A. I could not give you those figures. I have this to contribute on cotton, if you don't mind: yesterday I made some calculations on the prospect of this cotton crop on business. Last year the Texas cotton crop was valued at about \$150,000,000. This year, counting the money paid or to be paid by the Department of Agriculture on acres ploughed up I calculated its value at two hundred and thirty-four million dollars, making an increase of approximately 50 per cent in the buying power of cotton to Texas over last year.

Q. Have you any idea of the number of people employed in picking cotton and compressing it and ginning it; can you give any idea about that?

A. I haven't any figures in mind on that; they can be fairly easily gotten.

Q. Can you give an estimate?

A. I would not make an estimate.

Q. Dr. Cox, would you mind just for the information of the committee stating, giving your opinion of the probable trend of employment for the next six months? Taking into consideration the N.R.A. program, the reduction in the agricultural program and any other factors that you know of that might have a bearing on the probable trend of employment?

A. The various indices we get in the Bureau of Business Research from all lines of business indicate that employment will be upward at a fairly slow rate for the next three months anyway. What will occur in the spring depends on a good many things, particularly the employment procured by the N.R.A. program, but we see nothing in the way to prevent a substantial upward movement in employment and industry and trade.

Q. My purpose in calling you here, Dr. Cox, was just to give the

members of the committee—I didn't know what your testimony would be but I did know you were informed. The committee is attempting to arrive at some figure, some amount of these bonds to make available to carry us through the winter or for as much future time as they can see fit to do and I wanted you to give them such information as you might have relative to employment in order that they might use it in coming to their conclusions and if you will just in your own way state anything you know about the situation, I am sure the committee will appreciate it.

A. There is only one weak spot in the situation as I see it. If you will read our Texas Business Review you will notice that building programs have fallen off considerably since August. As far as we can gather that is due to advance in building materials out of line with the advance in the prices of other things. Now that is in the process of righting itself, so we think, that is going to cure itself. The program of the Government in the Northwest in its wheat program ought to help that section of the country and of course the advance in the price of cotton in those areas that get their buying power from cotton ought to improve the situation considerably. In this month's Texas Business Review I have gone into that in some detail, pointing out those areas which are going to get the greatest benefit from the increased value of cotton. Of course the wool and mohair advances indicate a greater increase in buying power than the price of cotton. Most of you know that applies particularly to the Edwards Plateau part of the State.

Chairman Purl: Are there any questions from any members of the Steering Committee or any of the other Senators? If not, you stand aside. Thank you very much for coming down here.

(Witness excused.)

Colonel Westbrook: I would like to call Mr. Tullis.

O. F. Tullis, having been duly sworn by the Chairman to tell the truth, the whole truth and nothing but the truth, testified as follows:

Colonel Westbrook: Will you please give your name and address and present occupation?

A. O. F. Tullis, Galveston, Texas, county administrator.

Q. How long have had that position?

A. August 6th.

Q. By whom were you employed?

A. Colonel Westbrook and the committee in Galveston County.

Q. Will you state the circumstances of your employment?

A. I made an application to Col. Westbrook, made several trips to Austin, went to Galveston and interviewed the committee singly and they approved of my appointment; I came back to Austin and Col. Westbrook gave me the job.

Q. Will you please state in your own words just what situation, what conditions you found in Galveston County when you went down there? and what you have done to remedy those conditions, without being critical of the conditions you found?

A. The only thing that I have done in Galveston County that is different from the things I found there was to put the administrative policy of the relief funds in that county on the same kind of a basis that I would have put a business of my own that was doing approximately a thousand dollars worth of business a day. When I went to Galveston County there were certain people that were drawing considerably more than their budget allotment for work relief, in some instances as high as a hundred and sixteen or a hundred and eighteen dollars, in the neighborhood of a hundred and twenty dollars. These men that were drawing that amount of money were foremen that supervised the work projects that we furnished that relief force for.

Senator Rawlings: Mr. Chairman, I wish a subpoena issued for Miss Ruth D. Kolling at San Antonio to appear tomorrow.

A. (Continuing.) These men I brought before the city council and Mr. C. J. Sweeney, who was one of the men drawing considerably more than the work relief allocation, and the city took over his salary. I made an agreement with the county court whereby they were to pay Mr. Burke and another man \$45.00 a month and that I would supplement that salary out of relief funds to the amount of their budget allowance as set by our social group, which

was approximately \$28.00. The only changes that have been made have been made from a hard-headed business standpoint in the administration of the funds. For instance, Mr. Abbot and his son were both working in the office; that was one of the things that are not permissible under the regulations. I brought those two men into the office and they decided which one would stay on the job. The senior Abbot stayed. Since then both of them have secured other employment. Mr. Huddleston, superintendent of the garden activities, and his son were both working in the same organization; I cut one of those loose. I have put all of the men or the ladies either that are working in the administrative work on the administrative roll where they draw more funds than the allotment would be on a pure social service standpoint, that is case work allocation.

I wonder if I might just here detail just exactly what happens to an application for relief? I believe that would come closer to covering the entire situation and if there are any questions anyone wants to ask you can cover the ground. We have an arrangement where a person makes application for relief—a part of our social group works in the office in the morning and the other part works in the office in the afternoon so that a case worker or a group of them is on duty at all times in the office—a person applies at a central desk, gives certain information and if it is an emergency we send somebody right then and if it is more of an emergency than covered this afternoon we will send a small order of groceries; then there is a case report made on that person by a visit either to the home or return visit to the office. After the application for relief there is a physical examination report and they are getting to them as rapidly as possible. We wait on them on a basis on what we figure is as quick relief as the funds in our hands will permit. If that man works in our office organization and his allocation is \$16.00 a month or \$19.00 a month and he makes \$30.00 a month, there is \$14.00 administrative expense to that man's work; that is the way we figure it in our county. Now we do not have the same men on the same jobs all the time. I work fifteen ste-

nographers making case reports and things of that nature that are on a case work basis and they work only the amount that is allowable under the supervision of the particular case worker that they are under.

We have an activity that is known as our garden activity. I charge him to our administrative costs. Frankly, I don't think it should be charged to administrative costs but our auditor, Mr. Gregg, said it should, so we are doing that. All the work he does is taking care of 39 acres of garden and a canner, and we have at the present time about 9,000 No. 2 cans of vegetables, made every bit of it under this man's supervision, which is worth about $4\frac{1}{2}$ times the cost of doing the job, since the man has been employed. I carry him at \$80.00 a month on my administrative list. He is a graduate of A. and M.

I have sixteen case workers I pay \$64.00 and one is paid \$70.00, and a supervisor I pay \$175.00 to; that is on my administrative roll.

I have eleven men in my office, one I pay \$150.00 to, two I pay \$75.00, two I pay \$64.00, and the rest draw \$14.00 a week and they are all on the administrative roll. The administrative cost for the first fifteen days in August—I mean September—was \$1,013.80. That is exact figures for the first 15 days. Now, that might either rise or fall, depending on the amount of work relief we had to do later on. For the operation of our social service group, notwithstanding the fact that we have had an average new registry per day of from $3\frac{1}{2}$ to $7\frac{1}{2}$ cases average—

Senator Martin: You mean families?

A. Yes, sir. Which would be $4\frac{1}{2}$ times that many people on an average basis. For the operation of the social service group that we have in Galveston County, on the first of the month there were registered with us 13,119 people, that is, persons, and the day I left Galveston there were 13,093, only a difference of 26 people actually on this roll. I imagine a fair estimate would be about $4\frac{1}{2}$ families a day, or 17 people per day being added, but we are taking them away.

We have found since we started this system that Miss Lynch installed there, that the biggest number of people we have taken from our rolls

are colored people where a colored girl was working for a white family for both herself and family and her husband was working part of the time on the job at some odd job. We have cut this kind of cases off.

On our physical examination less than 4 per cent of those who have been examined have failed to pass the examination. The examination consists of hearing, eyesight, whether or not there are any ruptures or hernias or things of that nature or whether or not the man has had any serious operation that would prevent him from doing heavy work. Of that 4 per cent at least half are able to do lighter work than pick and shovel work I call it. The only changes that have been made in Galveston County is getting the thing on the basis of just hard-headed business standpoint, figuring that it was my business rather than State business and we are making a very concerted effort to treat it just like it is ours, like it was my money we were spending.

I have some figures here. I paid 107 rents at an average of \$7.28 each, 32 light bills averaging \$1.09, 28 water bills averaging .89c each, 14 gas bills averaging \$1.19. I bought something like 30 pairs of shoes for school children which ranged from \$1.02 to \$1.29 depending on the age of the child. I went to the different shoe stores and got the people into my office and we have the shoes on a cost plus 8 per cent basis, that is his selling cost and freight and everything comes out of the 8 per cent. We operate no commissary in our county. That just about covers the operations.

Q. Now, that is the administration; is that all the administrative costs? Is there anybody on work relief that is not charged to that?

A. Only one case; I have a man on my door that could be classified as work relief, but since I stagger two men and keep the salary they draw within a very few dollars of the amount that is allowable, I have not charged that doorman to my administrative costs.

Q. Is that the only individual?

A. Yes, sir.

Q. Do you know what the administrative cost was for the previous months?

A. I have it here, yes, sir.

Colonel Westbrook: Please state what it was, Mr. Tullis.

A. That figure is our administration cost on the same basis that I am carrying it now, the same person doing the same things, they were on the rolls when I went to Galveston and took over the job on August 6th.

For the month of July, \$3,437.45.

Q. Do you have August?

A. \$4,806.56, August. During the reconstruction, rebuilding of the organization during the month of August we made no changes until after the 21st of the month, therefore the reflection of the saving that we made in the county won't be apparent until the September report was received in this office.

Q. You estimate that at approximately \$2,000?

A. Yes, sir; I would say it wouldn't be over \$2,200 at the outside.

Q. Now, this physical examination you spoke of, you have applied that only to people who have been on work relief?

A. That is true.

Colonel Westbrook: I haven't any more questions.

Chairman Purl: Any questions by members of the Committee?

Senator Murphy: Mr. Tullis, what was your business before you took up this work?

A. I was assistant sales manager for General Motors Corporation, in charge of personnel, employees. They call us business efficiency men but we don't like that, personnel man sounds better.

Q. Where did you live?

A. Fort Worth, Texas.

Q. How long did you live there?

A. Seven years and nine months.

Q. How long have you been engaged in that business?

A. A little over five years.

Q. How long have you been down at Galveston?

A. Since August 6th.

Q. Now, you mentioned some man that the county paid a part of his salary and you carried a part of his salary as administrative expense, or was it relief?

A. No, sir; I carried him as work relief.

Q. Work relief?

A. Yes, sir. In other words, that is the amount of money that he is allowed to draw on work relief.

Q. He has a job with the county, doesn't he?

A. Yes, sir; the county was not able, did not feel able to pay the man the salary that kind of job called for, and since it is to our advantage to get a man who has a knowledge of construction work as to road shoulders and things of that nature—in other words, I wouldn't be willing, Senator Murphy, to just turn a bunch of fellows loose to put shoulders on the roads unless somebody knew what it was all about. We carry that man—supplement the county payroll about \$30.00. It is not that every month; it depends upon the number of days in the month; it ranges from \$28.80 to \$30.00, so we will be sure that the work done by our relief workers will be a certain class of work after it is finished.

Q. How much money have you dispensed this month, roughly; about?

A. \$21,000.

Q. \$21,000, and your expense is \$1,000?

A. \$1,013.80.

Q. \$1,013.80?

A. Now, that doesn't include office, stationery, light bills, telephone bills, or the salaries that will be paid through the first fifteen days of the month.

Q. Well, is there any complaint down there, Mr. Tullis, as to the administration?

A. The only complaint I know of is the fact that I am supposed to be an outsider, a foreigner. That is the only complaint that I have heard, so far.

Q. Is there any complaint because Miss Lynch is an outsider?

A. Yes, sir.

Q. What work is she in charge of; case work?

A. Yes.

Q. How many case workers do you have?

A. Sixteen.

Q. Sixteen?

A. Yes, sir.

What is her salary?

A. \$175.00.

Q. What is the salary of the others?

A. I think two of them draw \$70.00 and the others draw \$64.00.

Q. No expenses?

A. Sir?

Q. They are paid no expenses besides?

A. None whatever.

Q. How many hours a day do they work?

A. They don't have any hours, they are professional people.

Q. Well, on an average.

A. I would say roughly thirteen to fifteen.

Q. They are not on the relief rolls?

A. No, but most of them are relief subjects, they were on the work relief or direct relief. As a matter of fact my entire organization, with one exception, possibly two exceptions, now are work relief people at one time or another.

Q. Well, are they educated for that nature of work, relief work?

A. I will say the answer to that right now is no, but Miss Lynch is holding what we call an institute two nights a week; at the present time it is only one, but beginning next week—the 1st of November it will be two nights a week. These institutes last about forty minutes or thirty minutes; they are classes in various social work laid out along certain lines as is supposed to be furnished by the National Welfare Organization. In other words, we are training them to do the thing ourselves.

Q. Miss Lynch and her assistant, Miss Idabelle Wolfe, conduct these, and occasionally various and sundry other people that we can get.

Senator DeBerry: Mr. Chairman, I would like to ask a question.

Chairman Purl: Senator DeBerry.

Senator DeBerry: I didn't understand awhile ago when you were testifying how you figured your administrative cost.

A. Senator DeBerry, we have a budget made up for each family.

Q. No, I am talking about your administrative cost.

A. I am giving my explanation now. If somebody is paid \$35.00 worth of time there is \$13.00 on the administration end of it. Is that clear?

Q. Didn't you testify awhile ago that you used a superintendent of gardens and that you carried him as administrative cost?

A. Yes, sir.

Q. What does he draw?

A. \$80.00.

Q. Are you carrying anybody as administrative cost who is qualified for work relief?

A. Yes, sir.

Q. Where did you get those instructions?

A. All my people are work relief people; everybody down there.

Q. Witnesses from some of these other counties have testified, I think that Mr. Westbrook sent out instructions if they are carried on relief work they should not be carried on administrative.

A. I don't think that is the class of people he refers to. What I understood him to say was that work relief people should be carried as administrative cost. All my people are work relief people. They are work relief placed on the administrative roll.

Q. If they were not working in an administrative capacity, you would have them on the relief rolls?

A. Yes, sir, with possibly three exceptions out of the 29 people.

Q. In arriving at your administrative cost, what do you consider administrative cost?

A. Anybody working in an administrative capacity; who draws more than the amount allotted to the average person on work relief with the pick and shovel.

Q. If he draws more?

A. Yes, sir.

Q. Do you charge up the additional amount or the whole amount?

A. The additional amount.

Q. Now, these social workers, how many of those do you have?

A. Sixteen with the supervisor.

Q. What are they drawing?

A. \$64.00; two draw \$70.00.

Q. The ones that are drawing \$64.00, that doesn't add any to the administrative cost?

A. Yes, sir.

Q. It does?

A. Yes, sir, they are performing administrative duties.

Q. Do you know why it is that they are carried as administrative cost down there and they are not carried as administrative cost in the other offices in the State?

A. No, sir.

Senator DeBerry: That is all.

Chairman Purl: Any further questions?

Senator Holbrook: Mr. Chairman.

Chairman Purl: The Senator from Galveston.

Senator Holbrook: What is your name?

A. Tullis.

Q. Mr. Tullis, I understood you to say you have 29 people that were not on relief work that come under the relief employment division. What do they do, those 29 people?

A. You must have misunderstood me, Senator. I said I had 29 employees in the office.

Q. How many of them come under relief?

A. All of them except three.

Q. Who are those three?

A. One of them is Miss Lenora Kempner.

Q. Who?

A. Miss Leonra Kempner.

Q. Is she the daughter of I. H. Kempner?

A. I don't know.

Q. Do you know how you came to employ her?

A. She was the only person in the county we could get.

Q. Who are the other two?

A. One is Miss Lynch.

Q. Miss Ann Lynch?

A. Yes, sir. The other is myself.

Q. The other is yourself?

A. Yes, sir.

Q. Those three don't come within the provision. Now, you stated in the beginning there, when you came to Galveston—I believe that was about August 9th?

A. Yes, sir.

Q. August 6th. That your principal duty was to reorganize the thing and get it down to a more satisfactory basis, something of that nature. Now, just how did you proceed to reorganize it; what did you do that was not already being done?

A. Well—

Q. Give some of your objections to the method in which it was being done so the committee can get the comparison.

A. I will be glad to do it. We had a man down there, working on the cards. That man had an assistant. I cut off the assistant because he was not necessary. The office stenographer had an assistant and I cut off that assistant because it was not necessary.

Q. So you reduced expenses that way?

A. Yes, sir.

Q. Go ahead, just go ahead and detail how you reorganized it.

A. I cut off two men whose fathers worked in the same organ-

ization, which was contrary to the law.

Q. You told about that.

A. Yes, sir.

Q. Go ahead.

A. And then as we got the work program in better shape, Mr. Lang handles the work relief of our organization; we reorganized that department so that one man could handle it instead of two. We gave the other man we had to take out of there another place. Then we removed one of those in-laws that was in there.

Q. What do you mean by in-laws?

A. Mr. Abbott's son, for instance.

Q. What Abbott is that?

A. I will have to look and see what his initials are. H. W. Abbott, Senior.

Q. So the father and son were employed there when you went there and you got them together and let them talk the matter over to see which one was to be kept and you kept the father?

A. Yes, sir.

Q. Go ahead and tell us some of the other savings you have made.

A. We had some stenographers down there drawing \$110.00 a month that are now drawing \$14.00 a week.

Q. How many?

A. One.

Q. That is a saving of how much?

A. \$52.00 a month.

Q. You saved that much on the stenographer?

A. On that one, yes.

Q. On that one?

A. Yes.

Q. How many others did you reduce?

A. I took Mr. E. B. Sweeney off the payroll. His salary for the last three months was \$104.00.

Q. The county took him over?

A. Yes, sir.

Q. Next.

A. I took Mr. Mellon off, that is, put him on \$30.00, his salary, as I recall, was around \$75.00 a month. And I took Mr. Burke off, he was drawing about the same amount; and I took Mr. Huddleston's son out of the picture. He was working on work relief.

Q. What do you mean by taking him out of the picture?

A. I just took him off the job because his father was working.

Q. In other words, you fired him?

A. Yes, sir.

Q. He wasn't a relief subject?

A. Yes, sir.

Q. He is not on relief at all?

A. No, sir.

Q. What is he doing now?

A. At school.

Q. The father is working?

A. Yes, sir.

Q. For you?

A. Yes, sir.

Q. Go ahead.

A. We paid a salary to one person in the county court house, \$48.00 a month, to clean out the welfare department there.

Q. Who was that person?

A. Mary Burney.

Q. She is a negro?

A. I guess so.

Q. Is Mary still working for you?

A. Not for me.

Q. Who is she working for?

A. I don't know.

Q. Go ahead.

A. They had three people in the negro welfare department drawing an average of \$48.00; we only have one at the present time who draws \$28.80, working in the work relief program, because it is necessary for us.

Q. You don't figure her expense in your administrative cost?

A. No, sir.

Q. Go ahead.

A. I think that just about covers the picture.

Q. That about constitutes the changes you have made. I understood you to say you had sixteen case workers.

A. Yes, sir.

Q. Are those the same case workers that Doctor Gibson had?

A. Yes, sir.

Q. The identical person?

A. Except two of them who have gotten outside jobs and left there.

Q. He had eighteen?

A. Yes, sir.

Q. You have sixteen?

A. Yes, sir.

Q. Are you paying them the same money that they received before?

A. No, sir.

Q. What is that wage?

A. It is between \$64.00 and \$70.00.

Q. Mr. Tullis, I will ask you, if your administration cost, the way you calculate it, will not be for this month \$2,000?

A. Approximately.

Q. \$2,200, I understood you, approximately that. You claim an administrative cost during the month of July of some \$1,400 and \$3,880 in August. On what basis do you figure that?

A. You mean how I arrive at it?

Q. How do you arrive at that, yes?

A. Senator, here is the situation. Several people on the old payroll were receiving as much as \$90.00 and in some cases \$100.00 and \$110.00. They were being paid for overtime. I put the men on a straight salary basis, put them on the administrative cost rather than put them on an hourly basis and pay them for overtime.

Q. Now, did you receive, just before this investigation was called, sometime during the present month a letter from the State Department here instructing you not to include those on relief rolls as administrative cost?

A. No, sir.

Q. You didn't receive that?

A. No, sir.

Q. You, yourself, include persons on relief work in your administrative cost?

A. Yes, sir; with one exception.

Q. The difference between these two statements, your administrative cost and theirs, between your administrative cost and that of Doctor Gibson's arises in the different construction with regard to relief rolls?

A. That is right.

Q. Have you analyzed that sufficiently to be able to say if a man is put out there to clean ditches, streets and things of that kind where he would have relief, otherwise, he would not have relief, do you think it is proper to charge that to administration cost?

A. No, sir.

Q. If he didn't include that as administrative cost, include the salaries as you have done, if his expense ran \$400.00 and yours ran \$2,000, his administration was more economical than yours?

A. If he put his case workers on relief, I would say he can if he put his case workers on relief.

Q. There is no question about how much relief work was done, that

would not be including those workers in administrative cost, would it?

A. Well, I could do the same thing, make my administrative cost \$200.00, if I put them on relief work and paid them on an hourly basis.

Q. I will ask you if you have any complaints from the Galveston Labor Council regarding the amount paid to the relief workers, if so, state what that complaint was.

A. Well, they complained that we paid the 500 men that worked up to the 5th of September, to the 6th of September in groceries rather than cash.

Q. Tell how you paid those groceries.

A. The amount which the man made, which was \$4.80, when the man came up to the desk with his check to get his grocery order, we would ask him what store he wanted his grocery order on and we would write it on whatever store he asked for.

Q. Was any suggestion ever made that purchases would be made from the A. B. C. chain stores?

A. No, sir.

Q. At no time?

A. No, sir.

Q. Was any suggestion, that you know of, ever made by any one under you that these groceries be delivered at their homes?

A. No, sir.

Q. There was no such suggestion?

A. No, sir; no suggestions whatever.

Q. That covered all classes of work that you had?

A. Yes, sir.

Q. Then you haven't paid them in cash at all?

A. Not this month.

Q. Not this month?

A. No, sir.

Q. Have you ever talked to the Welfare Association there regarding the method that you have introduced, the changes you have made?

A. I haven't made any changes.

Q. Do you know whether or not—I will ask you again, if you had any talk with the Welfare Association?

A. I have not.

Q. You have run that office independently of everybody and everything?

A. No, sir.

Q. Without consulting the people at all?

A. No, sir.

Q. Who did you consult?

A. My board.

Q. Who is the board?

A. Reverend Chataignon, Lee Kempner, Shearn Moody, R. M. Orth and George Sealy.

Q. Now, as a matter of fact that board has not had anything to do with it?

A. No, sir.

Q. That board has stayed static on the ground that you were sent down there, not wanted, an outsider, and since that time their hands have been off?

A. No.

Q. If the people there say it is, is it a fact or not a fact?

A. It is not a fact; I don't care who says it.

Q. How many times have you ever consulted George Sealy about that?

A. Not over three times.

Q. Has he ever attended a meeting, has there ever been a board meeting that he has attended with you? Has that board ever met with you?

A. Yes, sir; all except Mr. Moody, and Mr. Moody was away.

Q. Do you know why he has never attended a meeting?

A. No.

Q. How long has he been away?

A. Well, the first meeting was called when he was either in Dallas or Fort Worth; the second meeting we called was during the baseball series and he couldn't get away.

Q. As a matter of fact, he has just been away three or four days, hasn't he?

A. I think so the last time.

Q. Now, who employed you to go down there?

A. Mr. Westbrook.

Q. All right, then. Mr. Sealy, Mr. Moody and the other members had nothing to do with your employment further than the fact that Mr. Westbrook brought you down there and said, "Here is your man"?

A. No.

Q. Isn't that true?

A. No.

Q. What did you do?

A. I went down and talked to three members individually and asked them if they wouldn't recommend me for the job.

Q. In other words, you went down there begging for the job.

A. You can call it that if you like.

Q. Where did you come from?

A. I came from Houston.

Q. At whose instance?

A. My own.

Q. You went down there as a stranger to those people and said, "I want a job" and finally Westbrook sent you down?

A. I have the idea that they either wrote or wired Mr. Westbrook.

Q. You said there was some objection to Miss Lynch and yourself being down there. Tell this committee just what that amounts to and why.

A. The only thing I know about that, Senator, is that there seems to be an attitude that they don't have to have "foreigners," as they call them—

Q. To conduct their affairs?

Chairman Purl: Senator, permit him to answer; don't put words into his mouth.

Q. Go ahead. I will ask you this question. I will ask you again to state why this opposition to Miss Lynch being down there?

A. I don't know that there is any opposition to the way it is being run; I haven't heard that criticized at all, but I heard the criticism that we are both foreigners down there. I have had no complaints as to the manner of conducting the administrative relief. That is as far as I know, Senator. There may have been some that I don't know about.

Q. Then if the Galveston Labor Council and other citizens have complained, that has not come to your attention?

A. I know nothing of those complaints.

Q. Do you think it is best to send some rank outsider there to administer that relief?

A. I don't feel that I could administer charity in my home county.

Q. In other words, you don't think a neighbor can administer charity to a neighbor.

A. I don't believe a man can spend \$30,000 among his friends as impartially as I am spending it down there.

Q. In other words, you think you can go into a strange community and do better than someone who belongs there and knows the people and their conditions?

A. I would say this that the same people who were administered relief under Doctor Gibson are still administering relief there and have been ever since I took over the office.

Q. Well, did you confer with Doctor Gibson when you went there?

A. Yes, sir.

Q. Did he turn over his records to you?

A. Yes, sir.

Q. Did you offer any criticism of his administration?

A. No, sir.

Q. On the part of anybody?

A. No, sir.

Q. Did you ever hear it commended?

Y. Yes, sir.

Q. By any particular person?

A. A lot of people.

Q. Have you ever heard any criticism of it?

A. No, sir.

Q. On the contrary you have heard it commended by everybody practically?

A. Practically everybody.

Q. But you have heard criticism that they have sent foreigners in there to attend to their business?

A. That is right.

Chairman Purl: Any further questions by any member of the committee or any member of the Senate? (No question interposed.) Do you want to ask any questions, Mr. Westbrook?

Colonel Westbrook: No.

Senator DeBerry: Mr. Chairman, I want to ask Mr. Westbrook a question.

Chairman Purl: All right, this witness may stand aside.

(Witness excused.)

Senator DeBerry: I just want to ask Colonel Westbrook a question or two.

Chairman Purl: All right. Take the stand, Colonel.

Thereupon Colonel Lawrence Westbrook, having previously been sworn to tell the truth, the whole truth, and nothing but the truth, resumed the witness stand and testified further as follows:

Senator DeBerry: Does Mr. Tullis use the same method in arriving at his administrative cost as they do in the other offices in the State?

A. Not all of them. We haven't gotten these various offices, all of them, to use a uniform system of ac-

counting. They have had instructions but they have not all interpreted those instructions in the same manner.

Q. Colonel Westbrook, that letter that you sent out the other day, do you understand that they construe that like Mr. Tullis has?

A. No, not exactly. I think Mr. Tullis is balled up a little bit on his method of accounting.

Q. How many social workers did he testify he had?

A. I think sixteen.

Q. They draw \$64.00 and some odd cents a month. He carries those as administration cost. Is that right or wrong?

A. I think that is right.

Q. Are the other offices like San Antonio carrying it that way?

A. They should; they will when we audit their books; we will charge that to administration.

Q. What other county is using the same formula to arrive at the administration cost as Mr. Tullis?

A. I think nearly all of them, there may be some exceptions, but I think practically all of them are. I think I can explain to you just how this misunderstanding has come about.

We found, when we took this thing over, that work relief was used generally throughout the State in the administration of these various offices; it was done generally throughout the State. That is permissible provided the amount granted as work relief to any individual does not exceed what he would get anyhow, does not exceed his needs. We will take a man, we will say that he is entitled to \$20.00 a month relief, but in an administrative capacity, if we use him there or in any other way at all, we can't charge work relief as distinguished from administrative expense more than the amount of his grant. If we pay him more than \$20.00 a month, why, then he ceases to be on work relief basis and becomes altogether on administrative basis. That is the way the thing ought to be kept. There are some misconceptions on the part of the auditors who are auditing these books, but as a general rule I think that is in accordance with the instruction of the Federal Emergency Relief Administration.

Q. Now, was that in accordance

with instructions and with the rules and regulations of the Federal Relief Commission—this is the correspondence in connection with that?

A. Yes, our instructions are to that effect. We have done individuals that work on work relief, whenever that condition exists, the work relief should be based on the needs of the individuals. Some will require more than that amount that he says he needs, and when the amount of relief reaches the point where his needs are met, then the work relief ceases as far as that individual is concerned, and then it becomes administrative expense.

Q. Do they have to determine how much work relief—one of those social workers—do they determine how much work relief a party should be entitled to?

A. No, we do not do that. The amount of work relief they are entitled to, the size of the family, and the other factors in connection with the particular case is taken into consideration in determining the amount of relief that should be granted.

Q. You do not seem to understand my question. When one of those social worker, when one of those sort of cases comes up, how much of that is charged to—is that all charged to administrative expense?

A. That is correct.

Q. Now, how do you feel that this work, this work of the relief work, the case workers, how is that expense charged?

A. That is all charged, or all of it ought to be administrative expense. And that was the standard procedure, and that is why we audited the books.

Q. Have you that letter you wrote out the other day.

A. I do not recall having written any letter.

Q. I mean the letter that you sent out to the various county administrators—when you were getting this information to make this report up on—

A. I think I know what you mean—you mean the telegram that was sent out to the county administrators—

Q. That is what I am talking about—the request that you sent out to the different county administra-

tors requesting the information as to the administrative expense?

A. I sent a telegram out the other day, telling them not to report as administrative those on work relief basis. The telegram was as follows: "Reference list of employees list should include all persons on administrative payroll and salaries, but not employees on work relief basis. Complete as of September first. Must be mailed not later than tomorrow in any case. Send fastest mail special delivery."

Q. Well, what does that mean?

A. That meant exactly what it said. Do not report to us as administrative expense those who are on work relief basis. Those who are employees in your organization but who are receiving any amount not to exceed their grant, they are not subjects of work relief.

Q. Well, if one of these social welfare workers, is working on work relief how would you expect to classify the—would you say that was work relief, salary, or administrative cost or what?

A. If they are on work relief—if they are a work relief subject, and get the amount that is allocated to them for that purpose during the week or month, then they are a work relief subject, and that would not be included in the administrative expense.

Q. If one of these social workers was entitled—if one of these social workers was handling the work relief qualifications, and should receive \$64.00 per month for that service, would that be charged as administrative cost or not?

A. If they get \$64.00 per month it should not all be charged as administrative cost even though they should be receiving this as administrative—as work relief.

Q. How much is the most that any one person, per day or per week, can get under work relief?

A. Well, I would say that a person might draw as much as thirty or thirty-five dollars, who had been used to a high standard of living, and had a large family to support. It varies. If we should pay rent, which we do not do, if we can help it, I do not think that it should run up to maybe as much as forty dollars, but we try to keep it down as low as possible,

and make the money go as far as possible.

Senator Woodward: Mr. Westbrook, are there any counties in the State which have been denied the right to use the relief funds to pay for these case workers or these investigators?

A. I do not know of any, Senator. I do not know why that should have been done.

Q. Do you know whether or not any counties in Texas have been denied the right to pay foremen on certain work?

A. That is not the purpose. The employment of foremen on work relief projects is not permitted under the Federal Emergency Relief rules and regulations.

Q. Are they being paid out of that fund?

A. That was the practice that was generally followed and with the full knowledge of the Federal Emergency Relief Association when the work was first started up but we are trying to get away from that as fast as possible.

Q. Well, now do you know whether out in Howard County any body has made a request of your board to permit them to pay relief workers has been denied?

A. Well perhaps this. In order to conserve these on the first of September we cut out all work relief and issued instructions that funds were to be given only to those people who were really destitute.

Q. I am talking about this social welfare or relief work, not case workers?

A. If that has happened I have never been advised of it.

Senator DeBerry: I want to ask just another question, Mr. Chairman, I am trying to get some information.

Chairman Purl: All right, Senator, proceed.

Senator DeBerry: You have got the figures on what it cost to administer the funds in San Antonio?

A. No, I got the figures that were reported to me by the administrator in San Antonio, for Bexar County. I did not say what it cost to administer those funds there because we have not had time yet to audit their statements. I am sure when this audit is completed that we will be able to considerably reduce the administrative cost which

has been reported from Bexar County.

Q. Did not the administrator from over there testify that the cost of administration, the salaries of those on the payroll show around twenty-two to four thousand dollars?

A. Yes, and I think he is wrong.

Q. Now, you will also recall that testimony was introduced there from San Antonio showing that there was anywhere from three hundred to maybe as high as six hundred on the payroll, and that the minimum salary any of them was getting was \$64.13 per month?

A. I think that is what was said.

Q. Now, if they were to take that three hundred even at \$64.00 per month off the payroll there that would materially change the expense of administration?

A. Very materially. We do not vouch for our figures until we audit these accounts ourselves, when we audit them ourselves then we are able to make a report that we are willing to stand on. Until we get the accounts audited we must take the reports that are submitted by the boards of welfare and employment without the State as a basis on which to make our report. It is but natural that there would be various errors in these reports sent in from the many counties of the State, because of the fact that you cannot always get the type of people to administer this relief that might be desired or desirable, but we feel that the percentage of administrative expense is in line with the instructions from the Federal Emergency Relief Administration.

Q. I believe that you gave us a figure for the administrative cost of administering these funds in Texas was from 6 to 9%. Now, then, I would like to know whether or not those figures are approximately correct?

A. I think the figures of 9% for August is approximately correct. I believe that errors on one side will offset those on the other. I believe you will find about as many counties reporting too much as too little, because in places where they do report it correctly and where audits have been made of administrative expense we find it has run a little less than that.

Q. If three hundred people in San Antonio were on the administrative payroll there and were drawing an average of \$70 per month, what would that amount to?

A. That would be about twenty-one thousand dollars per month.

Q. And if they spent one hundred and forty thousand dollars per month that would be what per cent of the total amount expended?

A. That would be around eighteen per cent, I would say.

Q. Well, in other words it does not seem that anyone knows just what is being spent for administrative cost, we do not seem to know what it is costing to administer a certain amount of relief. It seems to be that we may be any where from one-third to one-half right on what the administrative cost is?

A. Maybe so, I really want to try to explain this to you, Senator, and I will do everything that I can to make it clear to you.

Chairman Purl: Who will you have for your next witness?

Colonel Westbrook: I believe, Mr. Walker the administrator for Travis County is here and I would like to have him come around.

Thereupon Solon Walker, being duly sworn to tell the truth, the whole truth, and nothing but the truth, testified as follows:

Colonel Westbrook: Will you please state your name, address and occupation to the committee?

A. My name is Solon Walker, I live in Austin, Texas, and am county administrator for Travis County.

Q. How long have you been engaged in your present occupation?

A. Since August 16th—I went into office August 16th.

Q. Will you for the information of the committee state just how you operate the Travis County Board of Welfare and Employment.

A. When I went into the organization on August 16th, we had quite a number of people on our rolls. We immediately got in touch with the Labor Department at Washington to see if they would not assist us in giving these people jobs. They sent Mr. Tipton, from Fort Worth, with full authority and instructions as to the handling of the labor situation. As a result of the information and instructions I received we were able to relieve quite a lot of the unemployment and the needs of these peo-

ple. We were able from our own records, we sent to the cotton patch quite a number of people who had been on the relief rolls and who had theretofore coming to the different relief organizations in Travis County. When these people commenced coming to our office and asking for relief we sent them to the cotton patch, we asked if they were willing to work, if they were willing to pick cotton and if they were we sent them out to work. If they were not willing to do the kind of work that was offered to them if they were able to work we immediately cut them off from relief. We signed up 28 men who were willing to go out and pick peas, and they were to report the next morning, only 18 showed up. When they failed to show up we jerked their cards. The next day there was about 38 signed up and 34 showed up; we jerked their cards. The next day we had a call for 42 to go out and work and all 42 showed up. We went to the newspapers and gave them the story and the newspapers have given us splendid cooperation—both of the Austin papers. Previously to that time a great many people apparently had been coming into Austin, expecting to get relief from the Travis County organization, but when the newspapers carried the story that the present relief administration was going to require those who were able to work to do so, these drifters began to diminish, and we are not now having as many calls for that reason as we had at first. We have sent over 1250 that came down for groceries—grocery orders—and who signed up for work we have put those to work. If a man wanted to work and was willing to work and they would work when they got an opportunity, we continued to help that class of people, but if they were not willing to work and came back for grocery orders they did not get it. During the month, or on August 31, we had a total of 5393 registrations. We have cut that down now by sending these people out to the cotton patch and to pulling corn and picking peas until we now have 756 active cases that have been taken off the relief rolls. A great many of the people who were applying to us for relief we found upon investigation were not entitled to it. We have found on our rolls people who were drawing pensions, people who had as much as 2000

acres of land and money in the bank and who were calling on us for grocery orders. Those now have been cut off of the rolls because they were not entitled to it and they were trying to play a racket on us. What we have been trying to do with these folks down here is to find them jobs, to get them out of this thing, and to get them out of town and get them to work. I think that the only way we are going to do this to relieve the situation here and we are trying to do that as best we can is to get jobs for these people. We are trying to rehabilitate them by getting them to work. Rehabilitation is what they need; we are getting enough funds to give them plenty to eat—we are getting enough to feed them, but it is not so much a question of feeding them as it is to get something for them to do so they will be self-sustaining. I am using at this time in connection with the work in Travis County, three investigators and ten case workers. I am not having the people all come to the office to get a grocery order, they can not get grocery orders there except in emergency cases. Now, getting down to the question of rent, quite a lot of our people are living in houses and are not able to pay the rent. Of course, it is necessary for them to have some place to live. Another thing I would like to call attention to is that Travis County, on account of its location gets lots of people who come in here from other counties, they come to see the Legislature, I guess, and quite a lot of them come in here hoping they may get a job around the Legislature and have something to do. Another thing, since the new administration has come in, we have quite a number of people here in Travis County who have been let out of work and who have no jobs, and have not been able to get any employment elsewhere. Quite a number of people are coming in here and in some instances boys who want to go to the University and are looking for some place to work and a lot of them look underfed. If we are going to pay a man 30c an hour on a job we feel that we should get that much work out of them. If he is not able to work, then we will give that 30c an hour to someone else and feed him. Dr. Gatty, who is on my board, formerly was head of the Community Chest here. He has been of a great service

in this work and I notice from the various questions that have been asked of various parties here they ask about cooperation; I have a banker, two lawyers, a university professor and an engineer on my board, and between them we are pretty well able to cover the field.

Q. Did you state how many people you had been able to take off of your rolls?

A. Well, possibly I removed 1050 and 1271 were sent to the cotton patch or to pull corn or to do other work like that, and about 1700 never came back for further relief.

Q. What is the status of your rolls right now?

A. Well, sir, since they began picking cotton in Travis County that has relieved to a very great extent the conditions that existed, but a great many of the cotton farmers in Travis County have plowed up their cotton in conformity with the request made of them and we have not had very many requests since that has been done for cotton pickers.

Q. About how many new families have you accepted for relief in this month, do you know?

A. New families, we have accepted I believe 297 up to about a week ago and we have accepted for this week possibly, well I can not give you the figures on that. That report is being prepared at this time and I am not able to furnish that information.

Q. Now, who was the name of this party owning the 240 acres of land?

A. It was I also have another by the name of and the name of the party who had money in the bank and came to me and was getting grocery orders was Wm. Kiki.

Q. You have been furnished with a list of all the people that have received money for plowing up their cotton land?

A. We have attempted to get that information, but unfortunately the County Agent here has been very ill and we have not been able to get the complete list of that. But I understand we will be able to get that within a very short time now.

Q. Just what was the administrative expense before you took over the affairs in Travis County?

A. For the month of May the total expense was \$1,138.80; for the month of June it was \$1,129.28; for

the month of July it was \$2,043.69, which includes the cost of an audit.

Q. What about the month of August?

A. For the month of August the total administrative expense was \$1,543.36.

Q. What per cent of the total relief administered would that be?

A. That figures 3 ½ %, but if you include in that the work relief it might run that up to ½ of 1 % more or a total of 4 %. Under no circumstances do I think that the administrative expense would exceed 4 ½ %.

Q. What do you understand when you use work relief in connection with this administration, what do you understand should be done with it—how should it be charged?

A. Work relief—how it should be charged?

Q. Yes.

A. I am charging nothing to administrative expense except that which is pure office expense, such as bookkeepers, chief clerk, permanent case workers which is about all of the administrative expense, then I am charging administrative expense work relief, that is where they are working out on a monthly or weekly basis a fixed part of the \$14.00 per week.

Q. How long do you let them work?

A. I have no standard method of fixing that as yet—have just started that out and if we have got a job to do we try to keep as many people employed on that job as we can. If a man is put on that class of work relief it depends upon the size of his family as to how much relief it will take to care for him and when he has worked a sufficient length of time to take care of that amount of relief, then another relief subject is put on that job.

Q. You have never done any of this type of work before you took over that office?

A. No, sir.

Q. What was your opinion for the necessity for the case worker when you first took charge of that work?

A. I thought it was a lot of hokey.

Q. What do you think about it now?

A. I know it is not, I know it is necessary. I think it is an absolutely essential part of the program of giv-

ing relief to have these case workers and that you will not get full value of the money expended unless you can have these cases properly investigated. If you will permit me to make this statement here I wish to say that I think it is an error, a fallacy to figure the percentage of administrative expense against the amount of money you spend. I think the administrative expense should be figured against the number of people on your rolls. You give me two hundred thousand dollars to spend, and it can be spent all right, or you give me one hundred dollars to spend and that can be spent, give me forty-five thousand dollars to spend and that could be expended with practically the same overhead or office expense. The administrative expense in my opinion is not a matter that can be determined or figured on the basis of the amount of money you have to spend but rather on the number of people you serve.

Chairman Purl: Any questions by any members of the committee—

Mr. Walker: I would like to go just a little further with this. I do not say this with any disparagement of the members of the Legislature, but I have had members of the Legislature, former members I mean I have lawyers, I have school teachers, bankers and others on our relief rolls. I do not know exactly what is the reason for it; I have had there quite a lot of former employees of the various departments who have been down and out on account of change in heads of departments and recently have had quite a few from the post office department here.

I do not believe that you will find very much criticism of the manner in which we have handled the relief work here in Travis County except from those who have been cut off from the relief rolls and then there is those instances where we have filed complaints against one man that got supplies on three different cards and the other cases that I have mentioned. I will say this when I went there I did not know anybody; we did not have any bootleggers on our relief rolls at all but I believe now that we are going to have a few of them.

Chairman Purl: Any further questions?

Senator DeBerry: I would just like to ask one or two other questions.

Chairman Purl: All right. Proceed.

Senator DeBerry: I believe that you testified when you first went into that work down there that you did not think there was any necessity for a case worker and that Mr. Westbrook changed your mind?

A. Yes, sir, that is right.

Q. What is your interpretation of the duties of a case worker?

A. My interpretation of the duties a case worker is that they visit the case, get a complete report on the conditions of the family, how many are in the family, what their needs may be and there are a dozen other things that an efficient case worker may determine that will be very helpful in properly administering relief.

Q. It is largely a matter of getting the food and aid to them? How much do you consider—what do you consider as the value of a case worker as a social welfare or morale builder?

A. Morale or morality builder?

Q. I think they are both about the same?

A. I tell you, Senator DeBerry, I do not think much of the morality phase of it—the morale is another thing. We try to do this work down there. Not so very long ago a man came in there who was in a way down and out—he was down in the depths—he did not want his mother to be buried in a paupers grave; we sat down and talked this matter over and got the man straightened out and I will say this that his mother is not buried in a pauper's grave.

Q. You must have read some of my mind.

A. We both come from East Texas.

Q. I believe what John Smith said, "If we don't work, we don't eat."

A. And the men like it. You couldn't get my men to come up and start any riots.

Q. Knowing as you do the extreme demand over the State for funds to feed hungry people and help the sick and disabled people who cannot help themselves don't you think there is a grave danger

of spending too much money in social welfare work?

A. Not in Travis County.

Q. I didn't ask you in Travis County.

A. I do say this; I am going on this theory, it is better to have a well man than to have a sick man. We give quick relief and because they don't get sick, we don't have to take care of them. We have bought shoes for the school girls; the boys we let go barefooted. With the girls it is different, especially girls fifteen or sixteen years old; I don't think it works for the morale of the whole school for them to go that way.

Chairman Purl: Did you say your payroll was \$1533.40?

A. No, sir, total administrative.

Q. How much of it was for salary?

A. \$792.50.

Q. That is for the month, what month?

A. That was for the month of August.

Q. How many employees does that represent?

A. That represents—

Q. (Interrupting) How many jobs and then you can tell?

A. I have been giving jobs to some of these folks that worked that up.

Q. How many jobs does that represent?

A. Nine jobs.

Q. How many investigators did you say that you had?

A. I have two right now. I am going to put on another one.

Q. How many do you think you need?

A. I need at least three investigators in this county.

Q. Will three be enough?

A. No, but I can get by.

Q. How many do you think you ought to have?

A. I should have about five.

Q. Would five be enough?

A. Five would be sufficient.

Q. The population of Travis County is about 90,000?

A. The census shows about 72,000, but we have worlds of people coming in all the time.

Q. Would 90,000 cover it?

A. Around that.

Q. The population of Bexar County is about 350,000 and they

have to have 185 investigators down there.

A. I say it is—

Q. I haven't asked a question. My figures may be wrong but I counted them last night. If they have in Bexar County around 185 and you have 5 here, how many would you think they would need in Bexar County?

A. I use the double system. I have case workers and investigators. At this time I have ten case workers.

Q. You have a total of sixteen?

A. No, I have a total of thirteen.

Q. Case workers and investigators?

A. Yes, sir.

Q. Do you know how many case workers and investigators they have in Bexar County?

A. No, sir.

Q. If they have over a hundred in a county five times the population of Travis County, is that too many?

A. Depends on conditions. I was raised around here; I know most of these people and I get by.

Q. What percentage of your clients as they call them, people you are helping, are whites and negroes and Mexicans?

A. All right, sir, right now they total 10, 2.80—2.89 and 1.58, ten whites, 10.66 whites.

Q. I don't care about the fractions.

A. Ten, three and one.

Q. Ten whites, three negroes and one Mexican?

A. Yes, sir.

Q. With the large number of requests we are getting from nice appearing men and women who want jobs; what is Austin doing toward relieving these white collar chaps? Have you got that problem?

A. Austin has been more or less fortunately situated up until here about a month ago and right now I begin to catch the white collar chaps; there are some with the University here that keep boarding houses and their resources are playing out.

Q. Now the N. R. A. should be a great help. Have you seen a difference since their program started?

A. Our rolls won't show, it is safe to say, that over twenty people who came off our rolls are N. R. A. stuff.

Q. Are there any married women on your staff whose husbands are gainfully employed?

A. I have one married woman on my staff whose husband can't work.

Q. Whether he does or does not.

A. No, sir, I have no married woman whose husband works nor husbands whose wives are working; I draw that line.

Senator Martin: Were you born in Hill County?

A. Yes—no, I was born right across the line in Grandview in Johnson County.

Colonel Westbrook: How many cases have you got in Travis County, how many people on your rolls?

A. We have now—I have now 1577 cases on my active roll.

Q. And you think you need—right now you are using thirteen case workers to take care of them—how many do you think you need?

A. I need fifteen.

Q. In Bexar County, say they have ten thousand, they would need approximately ten times as many?

A. Yes, sir.

Colonel Westbrook: I thought I would bring that out.

Chairman Purl: There was a statement made to me in the early part of the session and I think it has been explained but I will ask you to explain it briefly; that more money was spent in Travis County in a given period than was spent in McLennan County and they are comparable in size. Do you know anything about that?

A. No, I don't. All I know we ask for money and as long as we run our affairs and they give us what we think we are entitled to, I don't know what McLennan County is getting.

Chairman Purl: Are there any more questions? Stand aside and thank you very much.

(Witness excused.)

Thereupon Senator Martin moved that the Committee of the Whole recess until 9:30 o'clock A. M. Friday, September 29th, 1933. The question was taken and the motion prevailed.

Morning Session, September 29, 1933.

The Committee of the Whole Senate met pursuant to adjournment at 9:40 a. m., whereupon the following proceedings were held:

Chairman Purl: The Committee of the Whole Senate please come to order. The Steering Committee will please come down to the front. Senator Woodward, do you think it would be a good idea to have the witnesses come around and see how many there are?

Senator Woodward: Governor Sterling is here, Mr. Chairman, and I don't think it will take me long to examine Governor Sterling and hear his testimony. I don't know who else might be present, or who we are supposed to hear today, but Governor Sterling is here and we tender him.

Chairman Purl: Will you come around, Governor, please sir.

Governor R. S. Sterling; having been duly sworn by the Chairman to tell the truth, the whole truth and nothing but the truth, testified as follows:

Senator Woodward: Your name is R. S. Sterling?

A. Yes, sir.

Q. And were you Governor of this State in 1931 and '32?

A. Yes, sir.

Q. As the Governor of Texas, Governor Sterling, did you have any action to take, any dealing with the relief work in Texas?

A. Yes, sir, in I think it was July the relief bill was passed in Washington and after receiving due notice from Washington or the Washington authorities I sent communications to the different county judges in Texas, in fact all the county judges, telling them there were funds available for relief purposes and that I was ready to receive applications from them.

Q. Well, under the term of the relief bill to which you refer, the Governor of the State was entrusted with the distribution of these funds?

A. Yes, sir.

Q. And did you receive as the Governor of the State any funds in pursuant to the Act to which we have referred?

A. Yes, sir, something over \$4,000,000.

Q. Have you a record there that you can refer to, Governor?

A. Yes, sir.

Q. I wish you would state to the committee the amounts of moneys and the dates of their reception by you from time to time.

A. I have filed that with your committee in detail.

Q. Have you a copy there?

A. I have a copy here.

Q. If you want to you can use your copy there.

A. The first money was received in October, the latter part of October.

Q. Received when?

A. The latter part, the 25th of October, \$128,298.00, and on the 26th of October, \$55,000. And on November 7, \$173,548, November 15, \$397,684.50, November 23, \$22,200, and the 23rd again \$118,548.50.

Q. How much was that? Eighteen thousand?

A. A hundred and eighteen thousand. November 30, \$55,000, and December 2, \$397,684.50. December 9, \$118,548.50, and on the ninth also, \$22,200, the nineteenth, \$55,000, and on the eighth, \$15,838.

Q. January 8th?

A. December 8.

Q. Oh, December 8?

A. December 8.

Q. How much was that?

A. On December 1 was \$9,750.

Q. How much was December 8.

A. December 8, \$15,838, and on January 9, \$2,565, 833, making a total of \$4,135,133.

Q. Now, Governor, have you a record showing to whom these funds were disbursed?

A. Yes, sir.

Q. Just state to the committee to whom they were disbursed by you and the amounts and the dates if you have that record there.

A. The first money received?

Q. Well I will ask you first what did you do with the funds when you received them, the remittances?

A. The funds were received through the Federal Reserve Bank, the San Antonio Branch of the Dallas Federal Reserve Bank. The first amount that was received, that went to the larger cities. I might go back and state, if you care to have it, the way this relief was handled.

Q. Well, that is what I wanted, to take it down the line, the order in which it came. When you received it what did you do with it?

A. Deposited it in the various banks in the communities in which it was going to, that is certain banks in each city to my credit as Gov-

ernor and authorizing three members of the local committee to draw on these funds as they were used by their different committees.

Q. Who constituted that committee?

A. Well, before—the first committees were people connected with the Community Chest and charitable organizations of the cities where this money went. They had charge of distributing these funds.

Q. Was there a change made later then and it was distributed to others?

A. Finding that it was—I will say this, I asked the Community Chest throughout the State and the larger cities to handle these funds because they were in touch with the people that needed relief in the different communities. I found that they covered such a small territory, there were large cities some of them did not have a community chest and I would have to arrive at some other way to distribute the money, so that the people throughout the State could have the benefit of it. I once thought of building up an organization to distribute these funds but with an idea to have the work done quickly I then called the different heads of three regional chambers of commerce in the State for a conference.

Q. In the distribution of these funds was it left largely to your discretion or were you governed by any strict rule of any governmental agency or department?

A. Well, it was entirely in my hands and I used this agency to do the detail work and do the actual work in the communities because it was impossible for one man to do that.

Q. All right, Governor, go ahead with your explanation.

A. I called in the—called on the three regional chambers of commerce and asked their secretaries to meet me at my office, which they did.

Q. Name those persons please.

A. For the South Texas Chamber of Commerce there was Mr. Hubert Harrison, for the East Texas Chamber of Commerce, Mr. Ray Lehman, and for the West Texas Chamber of Commerce, Mr. Bandeen.

Q. There was no such organization as the North Texas Chamber of Commerce?

A. No, sir.

Q. Those three served the whole State?

A. Yes, sir. I asked a conference in my office with Mr. Croxton, representing the Reconstruction Finance Corporation, that was furnishing the money for this relief.

Q. At that time the money was coming through the Reconstruction Finance Corporation?

A. Yes, sir. After quite a lengthy conference with those three secretaries of the chambers of commerce and Mr. Croxton, representing the Government, we decided the best thing to do was to have them use their organizations to distribute their fund. They have organizations in nearly every county, directors in nearly every county and they agreed to undertake it and immediately went to work on the problems. Letters were addressed to all the cities and counties under my name telling them to form committees including their charity and social service people and other people that were connected with the distributing of funds or handling their relief work in a different sections of the State. In a very short time we had an organization built up and the first allotments worked out and applications prepared in the first part of November or middle of November—the first of November, and these three gentlemen came to Austin and with Mr. Croxton and their help we just worked out these applications that came from the different local communities throughout the State, each one handling their respective sections, South Texas, East Texas and West Texas, and I asked them to go to Washington with their report so they could explain in detail to the authorities in Washington just what the situation was and had but very little delay in getting the relief money sent forward, in fact, while they were in Washington. The last amounts that were paid to us was in December and they went to Washington again in the latter part of December and stayed there during the early part of January, I believe. I think it was January before they left and worked out and got the relief for January and February, which amounted to \$2,565,833. That, I think, constituted 129 different requests and applications in that many

different organizations of the State.

Q. How did you in distributing the funds to the three regional chambers of commerce, how did you arrive at the method of allocating the funds to them, how did you proportion it?

A. The amount in each respective region with exceptions of some of the larger amounts that went to the large cities was deposited in the three different banks. In East Texas the amount was deposited to my credit in the First National Bank of Longview, and South Texas it was handled through the Alamo National Bank, the last allotments, allotments before that were handled through the South Texas Bank and Trust Company, I believe it is.

Q. Was the same amount distributed or allocated to each of the regional chambers of commerce?

A. No, sir.

Q. How did you arrive at the amount to give to the West Texas, East Texas, and South Texas Chambers of Commerce?

A. Each community and committees from each community made up their requests and they were gone over here in Austin with the three regional secretaries along with Mr. Croxton, representing the Reconstruction Finance Corporation, and were recommended to me and were approved by me, and the amount varied because of the numbers of the counties that the different regional chambers were serving and the amount of relief in the different sections.

Q. Then you distributed that money as a result of a conference with these people in proportion to the apparent demand or needs for the funds?

A. It was distributed in accordance with the applications approved by me and by the Finance Corporation, approved first here by Mr. Croxton and then taken to Washington and taken up—not Mr. Croxton but Mr. Kelso. Then they went to Washington and took it up with the Board and it was approved there by the Board of the Reconstruction Finance Corporation.

Q. How were those funds distributed by the secretaries of the three chambers of commerce in the several counties?

A. I required all of the secre-

taries of the chambers of commerce to require each committee of each section to make bond to me as Governor of Texas and then the funds were checked to the different committees there for distribution and handling of the relief work through the three banks, one each, that were designated to handle these funds for the East Texas, West Texas, and South Texas Chambers of Commerce.

Q. Out of the four million, one thirty-five thousand, one hundred and thirty-three dollars which was received by you as Governor of Texas for the relief work during the period of time you were acting in that capacity, what sum of money out \$4,135,133 was devoted to expense of distribution?

A. During the time the total disbursements for expense was \$14,106.33.

Q. Now then, with all the balance of the funds distributed through the local committees in the separate counties which had been named and selected as you have described, toward the relief of the hungry and needy?

A. Yes, sir.

Q. Before you retired from the Governor's office, how much was on hand of the funds which had been sent to you while you were the Governor of Texas?

A. All the funds were distributed to the local committees when I left office; in fact several days before they had been turned over to the different local committees through the sources as before stated, the chambers of commerce.

Q. To whom were your reports made during that period?

A. To the Reconstruction Finance Corporation.

Q. At Washington?

A. At Washington, yes.

Q. Were any reports made to you by the county committees?

A. No, they were not made to me, because they were coming in contact with me in a way through the regional chambers of commerce, but I left office before there was a great deal of this money expended. The last two months were the greater portion of it, that is January and February, and they made their reports to the secretaries of the chambers of commerce.

Senator Woodward: I believe that is all I care to ask the Governor just at this time.

Chairman Purl: If you are through with the witness the time has come for us to go into the Senate. It might be well for the Governor to retire and come back on the stand a little later. The committee will stand recessed subject to the call of the Chairman.

Whereupon the Committee of the Whole Senate recessed from 10:00 a. m. to 10.25 a. m.

Chairman Purl: The Committee of the Whole will please come to order. Governor Sterling come around again please, sir. Senator Woodward, had you finished with your examination?

Senator Woodward: I had finished for the present, yes.

Senator Martin: Governor Sterling, in the distribution of these funds I believe you say you sent it to the various chamber of commerce heads whom you had appointed to distribute it?

A. Yes, sir.

Q. They in turn distributed it on down through the county organizations, the commissioners' courts, or whoever distributed it, and it finally got to the people it was to help or aid?

A. Yes, sir.

Q. Governor Sterling, if the West Texas Chamber of Commerce we will say, took the funds and did not charge a dollar out of the check but distributed it on around, but did take money of their own, which was necessary expense money, paid it out of their own funds, that money would necessarily be administrative costs, wouldn't it, whether it came out of the government check or not?

A. Why, I presume so, yes, sir.

Q. Do you know anything about what proportion the funds were distributed in say between Houston and Dallas and the smaller cities of the State; you didn't follow that out yourself?

A. I don't know what you mean. The money was sent out in accordance with the need from the reports that came in and as the applications were made. Some places did not make any applications for any because they did not need it. There was a few counties in the beginning

that did not make applications; I think some of them never did.

Senator Sanderford: In your report of administrative expense was only the State office here and the regional chambers of commerce used their own funds in sending the checks out to the counties?

A. No, the expense incurred by the three regional chambers of commerce—\$833.00 a month was allocated to them for their expenses; their traveling expenses were paid and the last two months the Reconstruction Finance Corporation allocated \$5,000.00 a month for expense for distribution.

Q. But it don't reflect any distribution costs within the counties after it had been sent to them from the regional chambers of commerce?

A. Well, I don't know about that, because the chambers of commerce handled that question and it was allocated to them for their expenses. I don't think it covered all their expenses, however, I had no report of what they really expended.

Q. Do you know if the regional chambers of commerce have data from which can be determined who received it and what kind of aid was given, whether direct or relief help?

A. That was all reported when they made their second application for funds, each county and how it was used, and those reports are on file in Washington.

Q. If any of those chambers of commerce had conditioned extending relief on the basis that those towns and counties would have to subscribe so many memberships, you would not know it?

A. No.

Q. You would not notice it?

A. I don't think anything of that kind ever transpired.

Q. We are passing the legislation on the proper way to disburse the twenty million dollars with what the government sends us. What is your position in this relief program with the experience you have had with it in the past as governor of this State? Do you recommend we abolish our present system of distribution and place the disbursement of these funds through the several commissioners' courts of Texas?

A. In my formal report I said if I was doing the job I would do it in

the same way I did; I take the same position.

Q. You would do it the same way; you wouldn't change to the commissioners' courts or the present system.

Senator Woodward: There are no further questions as far as I know unless the Governor has some statement which he wishes to make.

A. I want to get this in the record. The Senator referred to the expense of my office. For the information of the committee, there was no expense ever charged to the Reconstruction Finance Corporation for work done in my office. It was done by the office force and there was no charge from my office for the work that I did or the travelling that I did.

Senator Martin: Governor, if you sent these checks to the regional chamber of commerce and used your own stationery and stamps and employed your own stenographer to write the letters, that would really be administrative cost, wouldn't it?

A. I didn't do that. My secretary is employed and paid by the State and he did that along with me, sometimes along with—

Q. (Interrupting) It had to be either voluntary service or else paid for and you being the Governor of the State just gave that service?

A. Well, I considered that part of the work of the Governor's office.

Q. Well, Governor, you also understood, if you desired to do it, that you could charge the particular funds for stamps and other expenses in distributing this money?

A. I know, but our stamp account was sufficient to take care of it without making a charge.

Q. The point I have in mind, changing from the plan you used to another plan, you are permitted to charge every penny of expense, even down to postage stamps, and that would go to administration cost?

A. Yes, sir.

Senator Martin: That is all.

Chairman Purl: Mr. Westbrook, do you want to ask the Governor any questions?

Colonel Westbrook: Governor, you have stated you got your first money from the Federal Government the latter part of October?

A. Well, the records are here.

Q. That is right. I wrote it down when you said it. Soon thereafter the demands that were made on you from these various counties, through the regional chambers of commerce, increased as the season progressed, did they not?

A. "Well, to tell the fact of the business, we had to go out and ask them to get busy if they had the people, Colonel Westbrook. Some of the counties were reluctant about taking on the relief because they thought they would have to pay it back.

Q. Do you think there was any more necessity for it in January than there was in October?

A. Well, there may have been a little more on account of the cold weather. There may have been more transients. I don't think there was any more unemployed in October than in January.

Q. What percentage, if you recall, how many families were there when you made your application for this \$2,500,000 that you got for the months of January and February? Do you recall how many families you stated would need that help during the months of January and February?

A. Those records are all in Washington. Mr. Westbrook, the applications as made, all those records were sent to Washington.

Q. You don't have any idea how many families were on there?

A. No, I couldn't tell you, because I haven't charged my memory with that.

Q. Those records which first went to Washington disclosed that you stated there were as many as 170,000 families in need in Texas during the months of February and January, you think that was probably an accurate estimate, do you not?

A. I don't recall what it was, Mr. Westbrook.

Q. I mean if they do disclose that, I mean your reference.

A. I think that would be a large estimate, that there were that many families in Texas.

Q. If you signed the application showing, that in your opinion there would be that many families, during January and February, you had reason to believe that was a fact?

A. That was based on the applications that came in from the state.

Q. You had reason to believe at that time there were that many families?

A. Yes, sir.

Q. Governor, you stated that these funds were turned over to you as Governor in accordance with the Federal law and that you were responsible for them? That is correct, isn't it?

A. Yes, sir.

Q. You had the right to use any method to distribute those funds that you saw fit, did you not?

A. Yes, I had a right, it was my duty to distribute the funds to the best advantage, to the people of the State.

Q. What I meant, Governor, was that you used your own discretion in the type of agencies that you set up?

A. Yes, sir.

Q. That you were responsible for the funds to the Federal Government, they held you responsible?

A. Yes, sir.

Q. Do you know whether or not the law under which the present Federal funds are turned over to the various states makes that same provision?

A. I am not familiar with must what the law is; the statute was passed since that time.

Q. Now, Governor, you say that you used agencies connected with community chests wherever you could?

A. Yes, sir, where they were organized, Mr. Westbrook.

Q. I say where they were available.

A. That was in the beginning. The last applications that were made were made through the chambers of commerce.

Q. In the larger cities?

A. Yes, sir.

Q. Where Community Chest organizations were available you used that type of organization for distributing the funds, did you not?

A. As I said before the last applications that were made, that was January—February, were all made through the chambers of commerce. There wasn't any change made in distributing the funds in the larger cities, particularly Houston, Fort Worth and San Antonio, I think in Dallas there was a little change made. When it came to sending

funds to those larger cities, they did not go direct to the chamber of commerce, they were sent by me to those committees that I had built up. The reason it was handled through the chambers of commerce, particularly in the large cities, was because they had the facilities for getting up the reports and helping to get it started in a systematic manner. The reason the change was made was that Mr. Kelso thought it would be better to do it that way, so I did. So when it came to sending funds to Houston, Dallas and San Antonio they never went into the accounts of the regional chambers of commerce. I sent those funds direct, a large amount of money. I didn't place it in a bank or depository but sent it to the chamber of commerce to distribute the funds.

Q. I am sorry, Governor, that I did not make myself clear. I wanted to know whether or not in those cities where the Community Chest had organizations set up you used that organization, regardless to whom you sent the funds, to distribute those funds among the people who needed the funds.

A. Well, not altogether, Mr. Westbrook, because some of the committees appointed to handle these funds were not officials of the Community Chest. There were perhaps one or two committees that I authorized to handle these funds that were not officials of the local Community Chest.

Q. I am sorry that I don't make myself clear. I was trying to find out that where Community Chest organizations, where they were available, their machinery for distributing these funds regardless of who got the money.

A. Well, I have tried to answer that by telling you it was not entirely Community Chest people, because there was occasionally some member of that committee who was not an official of a Community Chest. I think they used them wherever it was available and to the best advantage to make these distributions.

Q. Well, regardless of who was on the committee, the administrative machinery the Community Chest had set up was used, where it was available and satisfactory, wasn't it, Governor?

A. Yes, sir.

Q. Now, do you know what it cost in all these various counties, these various political subdivisions, to get these funds from the individuals to whom they were sent, distributed to the people who would actually use those funds?

A. The only information that we had on that, Mr. Westbrook, was when the applications were made for January and February relief and the reports to the R. F. C. showed that there was around about one per cent, if my memory served me right, and that is on file in Washington.

Q. That one per cent, Governor, does that cover the expense within the political subdivision?

A. Yes.

Q. Do you think that those funds were distributed within the political subdivisions for one per cent?

A. That is what the report showed; that is all I had to go by.

Q. Governor, do you think it was actually done for that?

Senator Stone: Governor, I couldn't hear what report that was.

A. The applications for January and February.

Colonel Westbrook: You signed those applications which stated that the cost of distributing those funds within the political subdivision was one per cent?

A. I don't think that was in the application, Mr. Westbrook. Those things were tabulated and listed. I don't know whether that was actually in the formal application that went to the R. F. C. or not.

Q. I see. Well, now, Governor, as a matter of fact this whole situation, when you took it over, was regarded by the President of the United States, by Congress, and by everybody concerned as an emergency which would probably not last very long, was one that we would have to carry on for a year or two or three years longer, did they?

A. Well, I didn't think that it would. I didn't think so, and I don't think Congress did.

Q. Well, I thought perhaps you did think so.

A. No.

Q. Now, Governor, you said you put certain sums of money, which were shown by your report, to your credit in three banks located at the headquarters, I believe, of the three regional chambers of commerce.

A. That was the funds that were distributed by the chambers of commerce.

Q. Who had the right to draw on those accounts?

A. You mean—

Q. On those three credits that you established there.

A. A committee from each regional chamber of commerce.

Senator Stone: Governor, we can't hear your answers. Talk a little bit louder, please, sir.

A. I say there was a committee that was authorized to draw on those funds jointly because no one could sign; they had all three to sign the draft on those funds.

Q. Were those committees—were those individuals all under bond?

A. Not in every particular, no.

Q. So in the case of at least one of these individuals, who had the right to draw on this credit, they were not all under bond?

A. The banks were under bonds in nearly every case, of course there were some that were not. The three regional chambers of commerce the directors that were handling that money they were under bond, West Texas, East Texas, and I think, South Texas.

Q. What I am trying to get at, Governor, is this. Were the three people who had the right to draw on that fund that was deposited in each of those three depository banks that you used, were they under bond or was only one on each side, that is, one of each of those committees, under bond for each one of those places.

A. I think there were three under bond; it might have been there was only two of them; I think it was three.

Q. I want to know in all cases.

A. In all cases. I am not sure about the situation in San Antonio, because the committee that drew on those funds there was a local committee, four different men.

Q. You don't know whether they were under bond or not?

A. I don't think the local committee of San Antonio was under bond.

Q. How much money did you have over there at one time? What was the amount of money you ever had at one time, in one bank, at that time, Governor, that these men could draw on?

A. It was the amount that was allotted to that particular section.

Q. The records will disclose that?

A. The records will show that.

Q. Governor, you said awhile ago that if you had this job to do over again you would do like you did before, did you not?

A. Yes, sir.

Q. I thought I understood you to say that. Now, suppose you had continued as Governor, if you had and you had received a communication from Mr. Croxton, whom you referred to awhile ago, as the representative of the Reconstruction Finance Corporation, and he told you that in order to get any more money for Texas it would be necessary for you to change your method of distribution and institute an accounting system which would enable the Governor to account for all funds made available and you file with the corporation, with the auditor a statement of those disbursements, and further it was necessary to provide a state administration from which the county administration could obtain skilled help and guidance to improve the administration within the State and within the political subdivisions, if you had that sort of a notice from the Reconstruction Finance Corporation, you would not have continued to distribute those funds in the manner in which you were distributing them, would you?

A. No, if it was not satisfactory to them, because they were furnishing the funds.

Q. Well, then, if you had it to do over again, and had that construction put on it?

A. I say that under the same conditions and under the same circumstances, I would do it the same way.

Q. If you were permitted.

A. Under the same circumstances I would be permitted.

Q. Now, Governor, you said that your overhead for distributing these funds as far as you know amounted to \$14,000, didn't you?

A. The formal report shows.

Q. Yes, sir, that is what it shows, but it did not cover, as I understand it, the expense of distributing these funds within the county?

A. No.

Q. And you think that was about one per cent?

A. As disclosed by the applica-

tions that were made the last two months.

Q. You did not include that statement of overhead expenses in this report, did you?

A. No.

Q. Do you know how many people, or approximately how many people, were engaged in the distribution of these funds during the time that you were charged with this responsibility?

A. No, sir.

Q. You don't know how much money was paid out to those people who were distributing these funds?

A. The instructions that were given were that the local communities had to bear all the expense; and that there was no money allotted in the beginning for any expenses whatever; however, later on there was \$5,000 allotted.

Q. But there had to be some expense in distributing these funds and that was borne by the local community, is that correct?

A. There would be some work attached perhaps with some little expense.

Q. As a matter of fact, Governor you really don't know what it did cost to distribute those funds because you have no information as to how much money was spent out in these various political subdivisions in distributing it.

A. All we had was the reports on the applications for additional funds.

Q. Does that refer to Federal funds that have been spent or did that refer to the local funds?

A. That referred to their expense that we showed in making up the applications for additional funds.

Q. Governor, do you know whether or not any of those funds, that were distributed under your direction went for the purchase of material?

A. The instructions were it was not to be used for the purchase of materials.

Q. I know that was the instruction. Did you note any reports that indicated whether or not it went for that purpose?

A. There were attempts made to use it for that purpose, which was not permitted. Some may have been used without my knowledge.

Q. You couldn't watch it, of course?

A. No.

Q. How about using these funds for hiring trucks?

A. I don't know about the details of that at all.

Q. Well, do you know that was not permitted under the rules and regulations, Governor?

A. The local communities were distributing those funds to the people that were needing them without cost. Now, of course, it is impossible for me to tell what they have done out in 229 counties.

Q. Of course, you did not have any reports coming to you from those counties indicating that those funds were spent for hire of trucks?

A. No, they didn't come to me.

Colonel Westbrook: That is all. Senator Neal: Mr. Chairman, may I ask a question.

Chairman Purl: Senator Neal.

Senator Neal: Governor, did you consider the organizations which dispensed these funds, during your administration were in any sense political organizations?

A. They were not. We had no politics in it at all. In fact, I don't know what their politics were, the local committees.

Q. Do you think in administering this \$20,000,000 bond issue that these funds should be administered through any political organization?

A. No, I don't. I don't think political organizations—what do you mean by political organizations, Senator?

Q. Well, it has been mentioned here that probably the commissioners' courts would be the best medium for dispensing these funds, but since they are creatures of politics, I wondered what you thought of their administering the funds in comparison with these non-political organizations, various regional chambers of commerce through which you handled it.

A. I think with volunteers possibly you could get better results. People who enjoy the confidence of the people in the various communities, who are outstanding, people of integrity and high standing would be a great deal more efficient in this work, than if it were turned over to any political subdivision.

Q. I agree with you heartily on that Governor. It is often said that "What is everybody's business is no-

body's business." Do you feel that you could get some charitable—some welfare organization in every county and in every community which would work constantly at this job without having some paid persons in each county to administer these funds?

A. Well, there may be some people working that would have to be paid, Senator, but I think some of the best work that we have is done by people in a voluntary way and done without compensation. Take, for instance, if you want me to explain further, take the Community Chest organization in the City of Houston. All the people that do the greater amount of that work, the planning and the raising of funds don't receive one penny out of it.

Q. Well, they, Governor, are highly organized. Your Community Chest has grown to be a great institution in the large cities but in the remote counties, remote sections we don't have the Community Chest and in many instances I am sure those heads of the chambers of commerce, in fact, in some communities there are no local chambers of commerce.

Q. Now, in that event, would you disburse those funds through some sort of a charitable organization?

A. Or some committee of responsible citizens in that community who have the community at heart and are willing to give their time.

Q. Then how are you going to select those responsible citizens, we have them, of course, in every community, but how are we going to select them; they are going to have to get them under a law which will be passed at this session of the Legislature; then what kind of a law can we pass that will seek out those men? We want some light on this matter, Governor, and we will appreciate it greatly if you will honor us by giving us your idea of how it should be done.

A. I don't feel that I should attempt to advise the Senate and the Legislature as to the type of law that they should pass.

Q. It is not a matter of advising.

A. If you will pardon a personal reference, I have been very busy try-

ing to earn a living, pay my debts, since I got out of politics.

Q. We appreciate that, Governor it is not in the sense of asking this Legislature at all, but out of the burden of your experience in administering these funds—I recall, Governor, that you, early in your administration, called a meeting down here in this Capitol, a State wide meeting to do something about the unemployment and I want to give you credit for it; and I want to give you credit for administering this in the very fine way you did. Now, out of the burden of your experience can you tell us some way that we can pass a law creating these agencies in every county, in every community to administer these funds? ?

A. I think it could be done a great deal better without the law.

Q. Then you think a loosely constructed law—

A. I don't mean loosely. I mean the proper kind of people, people who have their community's interest at heart; there are such people in every community, Miss Senator.

Q. I say a loosely constructed law—

A. "Loosely constructed law," I don't know what that is.

Q. I don't either. The Federal law, provides that reputable honorable citizens be procured for disbursing these funds. Governor, when you took charge of this work it was something new under the sun in Texas and the nation. We have found since that it is growing, accumulative every week nearly, every month is found new divisions of work coming under relief. For instance, when you had charge of the work there were no C. C. C. Camps. There were no unemployment agencies and probably other divisions of this relief work which have been created since you relinquished the affairs of State. Now, these new divisions of work necessarily call for more expenditures in administration, don't they?

A. Well, I think that it goes without saying, Senator, if you want my opinion on it, I feel that the sooner we get rid of this dole that they are doling out throughout the country the better off the country is going to be. If you don't stop it,

I don't know where you are headed for.

Q. I agree with you there, Governor, heartily.

A. I don't agree with statistics that there is a steady growth in the amount of the unemployed, because in my short travels around I would say there are very few who are not working where I have been there are more people going to work. I can't agree with some of the statements that I have read in the press that there is going to be more need for relief this year than last, because of all this building, the public works program that the Government is putting on, if the Government starts that work it is going to put a lot of people to work, a great majority of them.

Q. Governor, the question has been raised here at various times as to whether or not general relief should be charged to administration or not. Now, in giving the cost of administering these funds during your administration, as being less than one per cent, did you and your three organizations consider work relief as a part of the administrative expense or not?

A. I don't get you. What do you mean by "work relief"?

Q. Well, where an unemployed man was sent out, say in the city of Austin, as superintendent of a pick and shovel gang, as an illustration this superintendent, instead of being placed on the relief expense roll, he was placed on the administration roll by some as an administration expense, while by others he was put on work relief and was not charged as an expense, and yet here is this big gang of pick and shovel men who need a man to supervise them. Would you think that man who supervised them, the superintendent, should be charged to the cost of administering the funds or not?

A. I wouldn't say that. If he was unemployed, you utilized his services, it makes no difference what he is doing.

Q. Your opinion is that this superintendent of the pick and shovel gang then should be charged on the relief roll, just as every man in that gang is charged, rather than to administration?

A. If he was in the army of unemployed and that employment was

given to him it occurs to me that it ought to be classed along with the rest of the men in that work.

Q. Now, is that your personal opinion or is that the policy that was followed by you and the three regional chambers of commerce in charging up those two separate funds?

A. I couldn't answer that perhaps satisfactorily. I know of one case, two cases where this question was asked me. I said "Get somebody"; they wanted a foreman, I said, "Try and locate somebody who is unemployed; don't take him out of another position but take somebody who is out of a job and put him on this job because you are doing the thing that this thing is intended for.

Q. Thank you, Governor; just one other question. Then, you think the less politics that you get into the distribution of relief the better off the State will be.

A. No, I don't think that; I know it.

Senator Neal: Thank you, Governor.

Chairman Purl: Any further questions? (No question interposed.) No further questions. You may stand aside Governor. Thank you very much.

(Witness excused.)

Chairman Purl: Who will you have next?

Senator Woodward: We will take Mr. Cline.

Senator Moore: Mr. Chairman.

Chairman Purl: Senator Moore.

Senator Moore: I have a newspaper clipping dated Washington, September 27th, which I wish to read into the record. It was in the Houston Chronicle (reading):

"Number of Families on Relief Roll Drops:—A decline of approximately 4 per cent in the number of families on unemployment relief in August, over the preceding month, was reported to the Federal relief administration today.

August figures from 40 states and the District of Columbia show 3,360,000 families on unemployment relief compared with 3,480,000 in July.

Increases in number of families on relief were reported from Arkansas, Kansas, Oklahoma and South Dakota."

Thereupon Walter D. Cline was sworn to tell the truth, the whole truth, and nothing but the truth, and testified as follows:

Senator Small: State your name, please, sir.

A. Walter D. Cline.

Q. You live in Wichita Falls?

A. Yes, sir.

Q. You are at the present time President of the West Texas Chamber of Commerce?

A. Yes, sir.

Q. You have been in Wichita Falls how many years??

A. In Wichita County since 1913, in Wichita Falls since 1917.

Q. For the purpose of the record I will ask you to briefly state the civic enterprises with which you have been connected during your residence in Wichita Falls.

A. It will sound like bragging a little but I will do it. After my residence at Burkburnett, the second year I was there I was chosen mayor at that time; there was nothing against it so I also served on the school board. I left there in 1917. I served two terms as mayor and a term as member of the school board. I moved to Wichita Falls in 1917. In 1920 I was chosen mayor of Wichita Falls. In 1922 I was made president of the Wichita Falls Chamber of Commerce. In '24 president of the Rotary Club. I was made a member of the board of trustees of the Y. M. C. A.; the public library, organized during my administration as mayor, I became ex-officio member of that board. I have served on it constantly since then; member of the board of Boy Scouts and National Counsellor for them and Camp Director; for twelve consecutive years I served as President of the Community Chest; in fact, with Mr. Husion, now manager of the East Texas Chamber of Commerce, he was then Secretary of the Wichita Falls Chamber of Commerce, we organized the first Community Chest ever organized in the South. Incidentally, I served as chairman of the budget campaign and then I have served as president of the Golf Club and a few things like that at Wichita Falls. I don't think of anything else right now.

Senator Small: Now, Mr. Cline, you have been connected with the West Texas Chamber of Commerce a great many years?

A. Yes, since its organization.

Q. You have been its president and intimately identified with it throughout the period of time that the regional chambers of commerce directed the administration of the relief funds?

A. Not since I became its president because I was chosen its president this year. I served in the administration of the funds in Wichita County after the administration of the relief funds had been taken over from the regional chambers of commerce by the present Texas Rehabilitation and Relief Commission—that was before I was chosen president.

Q. You were on the committee that raised the funds in Wichita County?

A. Yes, I was charged with that responsibility.

Q. I wish you would tell this committee, please, what was the method that you handled in the distribution of those funds.

A. Well, first of all, my participation in the original organization of the West Texas Chamber of Commerce and its work goes a good many years back, in the handling of civic matters and in the interest of the people of West Texas. At the time I started into this work I was then second vice president of the West Texas Chamber of Commerce, and we had much to do with the preparation of the applications of the people in West Texas to get the amount of R. F. C. funds that were supposed to be allotted to them. This work was done in collaboration with Mr. Wilbur C. Hawk, then President of the Amarillo Chamber of Commerce, and also Mr. Bandeen who was our General Manager, who served on the relief work; also Mr. Kelso of the Fort Worth and here in Austin, and that really started my participation, and our work in the distribution of funds from the Federal Relief Association. We had our organization there in Wichita County all set up at the time and it was a going concern, and when we were asked to take over this work, we simply used that agency to handle the relief work in that county, and that largely is responsible for the economic administration of the funds and the minimum overhead expense of the cost of administration, and that expense, of course, was paid out of the community chest funds

that had already been contributed by the citizens of our town.

In the course of a short while, the work became unweildy for us to handle with the plant we had there, under the physical set-up that we had, and due to the fact that we had certain relief cases that we felt were purely a local responsibility, we moved a portion of the work to a down town building and set up a separate organization with two purposes in view. One to serve the people where it was necessary more quickly, and the other was to try to relieve this Federal Relief which was growing in volume, from our constant load of relief of local relief charities to families for which it was originally procured.

We kept those and provided for them out of the funds that had been raised in the community chest, that had formerly been on that, and placed these others on the relief funds that had been provided and which was operated from the downtown office. Frankly, I will say that I did not think that this would last long and if we had kept them all together, we feel that the community chest fund would not be able to carry the burden that we had assumed and care for those cases that we were responsible for.

The relief work that we carried on in Wichita Falls, and that work has been carried on for many years, was operated and carried on at a very little overhead expense. We felt that our service when it began to be spread out over so much greater scope, that the administrative cost of that was going to be more, it was going to cost more to care for so many more people and it was not right for the community chest fund to carry the whole burden; we were going to have to have some additional force to carry that on, and we could not get those people to work for nothing.

Now, the added expense, the added overhead expense accrued when Colonel Westbrook advised is that we would have to keep more complete and accurate records. I think I should say in fairness and frankness to him, and to those in charge of the administration of these funds, that in my judgment, you cannot keep or get an accurate and complete record of all the disbursements with

certified vouchers, cancelled vouchers, with supporting records that would be approved by a certified public accountant, with the kind of organizations and the type of clerical help that you were able to get in that kind of organization when you were using volunteer workers.

In view of these instructions from Colonel Westbrook, we put on additional force in order to keep a more complete and accurate account of the disbursements. We employed a firm of auditors of national and State reputation, and I want to say in this connection, that they gave us a very generous contribution in connection with the service which they rendered, making the audit for us at a cost of about one hundred and fifty dollars, which we paid, after the authorization from Colonel Westbrook, out of the relief funds.

It also in connection with this, became necessary to put on additional case workers, in order to prevent to much imposition. We had our family load on a fairly good card index, and we had a record there covering a period of five to ten years. But with the hundreds of new people coming in, it boosted the expense of caring for them, and there was necessarily some additional expense incident to it, and when the State organization authorized this expense, we were willing to put on the additional helpers. I do not know whether that is the information that you desired or not.

Q. What distinction do you make between work relief and direct relief—there has been quite a lot of discussion here.

A. I consider that direct relief or charity relief is relief that you have to give to the indigent where they have no one to look after them, and where there is no one else to care for them, and it then becomes a responsibility on the community to take care of them. Work relief, I consider that to be relief that is given to people who are unemployed, who are able and willing to work at whatever work may be available, and that is the manner in which we have handled the relief there. There are times when it would be manifestly unfair or inhumane to ask certain people to work, or to do certain kinds of work because of their physical infirmities. Take women where they have small children in

the home, where for some reason there is no one else to take care of them; we consider that that is charity or direct relief when we take care of them. Where the circumstances will permit any member of the family doing work, and where they are able to do the work available, we try to place them on that work for we feel that they should work if they are able to do so. We try to put them on some kind of public work in cleaning up the lots, cutting weeds and doing some thing that will be in the interest of the public. After twelve years of dealing with this kind of situation, I feel that that is the best way to get the job done. There are too many folks who will come down every morning and want to get help—they will want to get money—and if you give them money, many of these men instead of going and buying groceries for their families, or getting the necessities for them, will go down town and maybe shoot it off in a crap game, or buy corn liquor. You do not relieve the families in cases like that.

Now, when you put them on work relief, or put them to work to get relief that may be needed, for the support and maintenance of their families, when you put them on public works, there is no way in the world of making them work; you have no authority over them; you cannot make them work. It is a difficult matter to make them work with the character of organization that you may set up. If you take him off of that work, then his family will suffer; those who are dependent upon him will have to bear the brunt of his refusal to work.

Q. But there is a certain amount of constructive and valuable service that you can get from that class of work under proper supervision.

A. Yes, we have done some fine pieces of work through the efforts of those work relief programs in our city.

Q. Can you give this committee an estimate as to the amount of the value of the work that has been done by work relief, as compared with the direct relief that was done?

A. Well, of course most of our funds, I do not have the records before me—I am unable to give you that information. We do not undertake to work women.

Q. Now, how many counties do you have in the region covered by the West Texas Chamber of Commerce?

A. I believe that we have 130 odd in our territory.

Q. Can you give the committee any figures as to the present demand for relief in that territory as compared to six or eight months ago?

A. Well, I would say that the demand in the wheat growing section, in the extreme northern portion of the panhandle, that the demand there in those counties is perhaps smaller there than in the rest of the West Texas counties was some four or five or six months ago, and in the rest of the territory or area, the demand for relief is less than it has been. That is due largely to the fact that quite a number of these people who did not have work before, have been out in the fields picking cotton and they have taken any jobs that they could get.

Q. What is the condition in Wichita County and the other sections—what is the condition of the rest of the area as to their relief needs?

A. I can not give you the figures; I have not been able to keep up with that for the last few weeks, but I am sure that Mr. Bandeen who now has charge of that would be in position to give you the facts of that, the family heads or case load, I think has been materially boosted in the last thirty days. I would hesitate to make a positive statement as to just what it has been.

Q. Do you think that where they have had seasons, generally speaking, that there has been a very decided decrease?

A. Yes there is. But you will find that this is also true, that unless we continue the slide upward as a result of the national campaign to force activity in different businesses, and there is a slump in business, the amount of help that we will be forced to give, will materially increase, because a lot of those people who have been given employment will fall back on us for relief again.

Q. Mr. Cline, I wish you would give us your best idea as to what is the wisest thing for us to do here—the best plan in performing our task here at Austin, in the matter of the authorization and issuance of bonds, how much in amount

should be issued and how it should be handled: I do not know what your ideas are, and I hope you will feel perfectly free to give us the benefit of your experience and opinion as to what is the wisest and best thing for us to do?

A. First of all, I should like to make this statement. You can spend as much money on relief as you can get. There is no limit to the amount of money that can be spent for relief. I take it that you mean the amount of money that will be necessary to furnish them food and fuel and clothing and actual necessities of life. It is not so much the question of how much you can spend as it is the amount of money that will be needed to meet the actual needs; to relieve the condition of the people in the various sections of the State. My interpretation of relief is that we should help those less fortunately situated than we are. We should help those who are not able to help themselves. I feel that organized society owes the less fortunate members of society an opportunity to come back, to get on their feet and to carry on. This is what is going to be helpful in bringing conditions back to where they should be. If we can stabilize conditions, we will have done a great work for the country when we shall have provided work for those who are out of work and enable them to go ahead and be self-sustaining. Furthermore my observation and experience in this kind of work is that if this relief is given without a proper regard for their actual needs, we are going to make permanent social parasites of them.

Now then; if my theory is right, and my judgment is worth anything, I would say that some eight million dollars in bonds should be authorized to take care of the situation until January, 1935. And for the handling of that you will set up some kind of administrative agency that will give the relief necessary; I would take that eight million dollars and divide it fifty-fifty, half for direct relief and half for work relief on useful jobs, and assuming that the Federal Government would match this dollar for dollar, that would give you a total of sixteen million dollars to be expended between now and January, 1935; that would give you eight million dol-

lars for direct relief and eight million dollars for work relief on constructive projects.

In the direct relief program, that money would be spent to help the kind of people, or the families who are now on our relief rolls—that is the infirm, the invalids, the unemployables, that class will always need relief. That would take care of them.

On your work relief program, there should be some kind of plan evolved, in my judgment, that would do permanent constructive, public work, and again be matched by the Federal Government funds. If it is possible to get that kind of a general public works program inaugurated, matching the funds provided by the Federal Government by State funds, then in my opinion you are going to have a real, constructive program without any wastage of public monies.

Now, if that kind of program is initiated and carried out, in my judgment, it will only require the issuance of eight million dollars of State bonds for the period outlined, and I am frank to say to you gentlemen that I do not believe that more than that amount of bonds should be issued with conditions as they are, and the inability of many of the people of the country today to pay their taxes. Take that amount of money, match it with the Federal relief money of like amount and you will have sixteen million dollars to carry on this work, eight million dollars for direct relief, and eight million dollars for work relief. I do not believe that more than eight million dollars of the twenty million dollars authorized should be issued. If you will take that sixteen million dollars and administer it properly, cut out as much overhead and extra expense as possible, I believe you will have sufficient funds to meet the situation.

Now as far as the administering of this fund is concerned, I hardly see how that can be done without some kind of coordinated work in a state like Texas with the diversity of interests unless you do have a directing head or some centralized state organization to supervise the administration of the State funds. You are going to have to perfect some plan where it will not cost ten per cent of the amount of money ex-

pended to administer it—it is going to be necessary in my opinion to get your administrative expense below that figure. There is no occasion for such a heavy administrative expense. That money, a large amount of that money which is expended for administrative expense as reflected by the reports here, should be getting direct to the relief subjects. I think the commissioners' courts in every county in Texas, where they have no community chests or other emergency relief organizations of that kind, should be permitted to set aside twenty-five per cent of the general fund of the county for emergency relief purposes. That would be handled through the community interests and should be handled by the commissioners' court or agencies authorized by them so to do. They are, the members of the commissioners' courts are thoroughly familiar with the conditions of their people in the various sections of the county, or should be, and I believe that they would be in position to properly distribute that fund to the advantage of those to whom it should properly go.

Q. Is it your idea that every dollar of this money should go to relief of the needy and not to overhead and administrative expense?

A. I feel that every penny of it that possibly can should go to the relief of those who are in need. The economic condition of the country today is such that it has brought about this unemployment; it is going to be necessary to devise some plan whereby we can get our feet back to earth. There has been in the past and will be yet, even with the very closest supervision some wasteage and some cases receiving relief that are not entitled to it. You will always have those impositions.

Q. Mr. Cline would you say that State should set up some central responsible agency and place the responsibility of keeping the local organizations of counties and cities upon the local people, letting the local people provide for the cost of the administration, and require them to take care of all the expenses of administering this fund locally, and not permit any of that fund to be taken out of the appropriation made

by the State or the National Government?

A. Yes, provided, you do not have too much red tape in it.

Q. What do you mean by red tape?

A. I do not believe that we should have so much carding and reporting on these social welfare workers; there should not be so much time spent in the keeping of records, and files and things of that sort. I believe that there should be a proper check on the expenditure of every penny that goes out, with proper vouchers to support the expenditures, but it looks to me like they are having more time spent in keeping records and check, and rechecking these individual cases than is necessary. Another thing, if the responsibility for the expenditure of this money in the local communities is placed upon the local people a less likelihood of extravagance will occur, and a better check up will be able to be had and a more general satisfaction to the people of the local communities. That will also eliminate to a large degree the criticism which has been prevalent over the State. I think that the expenditure of money for general administrative work of the State headquarters should, of course, be borne by the State, but beyond that, I think that the administrative expense of the local communities should be taken care of by them.

Q. Do you think in the 123 counties in your regional chamber of commerce that the most effective way to handle that would be for the local communities in the several counties, to have local people to handle that under the immediate direction of the local county authorities, the commissioners' courts, and that they should take care of the administrative expense of that work?

A. I think that that would be the most effective and at the same time, perhaps, the most economical plan of handling this relief work. You can, if you desire to spend all the money you can get, but if handled by the local people, with of course, proper supervision by a State set-up, I believe you will get more relief for your money than you would otherwise—because those charged with its expenditure will be responsible to the local people and yet have the supervision of a State board.

Q. Did you hear the speech before the Legislature of Honorable Aubrey Williams while he was in Austin some time ago?

A. I heard part of it.

Q. I wish you would give the committee the benefit of your observations with reference handling these funds.

A. I will say first off that this social welfare relief work, this intensive welfare or social work has gotten to be a racket; these social welfare workers in many instances I would call "hobby riders" or "knot holers." They are like a lot of people who go out to a ball game and will look through a knot hole. They will only be able to see one player, and they think that the man who is carrying the ball is the whole team, and they lose sight of the rest of the team who are making it possible for that man to carry the ball and make a touch down. I am really getting fed up on the hobby riders or knot holers, and I think that they, if their policies are carried out that we will have fostered on the people of the country a permanent welfare and that that theory is a dangerous practice. I do not mean by that these people lack intelligence. They do have it. If that theory as announced by some of these social workers is put into effect, we will within the next forty or fifty years be absolutely dominated by this group and your children and my children and our grand children will pay in increasing amount and lasting damage will be done to the citizenry of Texas in my opinion if the plan as I understand it, of Mr. Williams is inaugurated and approved.

The trouble with my friend Dr. Williams, and I recognize that he is a highly educated and trained man, is that he has the viewpoint of the professor; he has been teaching sociology and interested in social welfare work for years and has evolved some good ideas, but in regard to his ideas of a permanent social welfare to be instituted over the country, we are not agreed. I make no charge of insincerity in the motives of these people. But that group is growing and growing from year to year and in my opinion it would be a very dangerous policy to adopt; it will increase the number of dependents on the relief rolls of every county in the

State, and the public will have to pay the bills, and the public is not going to be able to do it. You take a cow or a horse and put their nose in a feed bag and keep it filled, and the time will come when they will not go out and eat grass, because it is a little harder—it is too hard to get, but take the feed bag off and turn the mout and they will begin to rustle for themselves. I think that it would be a very dangerous policy for us to adopt in this State.

Q. Are you surprised that there is a constantly increasing number of people getting on the relief rolls over the country?

A. Certainly I am not surprised. I have had twelve years experience in that kind of work. I have been connected with a good many participating organizations that have handled this work for many years. We have a number of those organizations in my home town, and where we do our most effective work, is where we eliminate those who are not entitled to this relief and let them know that unless they can show us that they are worthy of the support that is asked for they do not get it. You have got to get down to the proposition of providing the necessities; you can not afford, and it is not right to try to provide steam heated flats for those who are entirely dependent, and at the expense of those who are perhaps just a little better off but who are willing to earn the things they enjoyed by hard work; you have got to cut out a lot of this intensive social welfare work and get down to bed-rock, or you are going to have the whole country within the next forty or fifty years in the control of these social up-lift organizations.

Q. I think that you are entirely right—you have expressed my sentiments exactly—

Chairman Purl: Any further questions?

Senator Rawlings: Mr. Chairman, I would like to ask just a few questions—

Chairman Purl: Go ahead—

Senator Rawlings: I would like to ask you this question, Mr. Cline, in connection, and in the nature of advice to the Legislature. Is it not your judgment that we should be concerned primarily with the set-up to take care of and handle this sit-

uation and give the relief to those actually needing it, rather than with the bill board stuff and thereby secure more effective local organizations for the distribution of the funds that are actually needed to take care of the unfortunates and destitute in the various communities—either through the community chests, the chambers of commerce, the commissioners' court or whatever the local administrative agency may be, rather than to be encumbered with a lot of red tape and a lot of overhead expense?

A. I will agree with you Senator, and I believe that that can be worked out satisfactorily, but I still believe that you should have a State organization set up to act in a supervisory capacity. I believe that proper accounting should be made for every penny and that the last dime of it should go, as far as possible to those for whom it was originally intended. I believe that you would be able to do a much better job that way.

Senator Small:

Q. It has come into this record that the West Texas Chamber of Commerce was securing membership for the purpose of carrying on this work—the statement has been made here that this fund would not be distributed in certain cases until those memberships had been taken out and paid for?

A. I understood from the papers that those charges had been made, here. That we withheld disbursements to local communities because they had not gotten their quotas as designated by the West Texas Chamber of Commerce. To be sure, the West Texas Chamber of Commerce has been soliciting memberships in order that we could carry on the work of that organization in the interest of the people served by us and I think I will be pardoned in saying that the results show that they have done a very good job of it. But to say that the distribution of relief funds was withheld because of failure to take out memberships in the West Texas Chamber of Commerce is without foundation of fact. We did distribute the Federal relief money at a considerable cost to our organization, and in making trips to the various sections and assisting them in determining what their needs were, and filing their

applications for these relief funds. We have always used the quota basis for fixing the amount that we felt should be contributed by the various towns in our territory. We did not ask for this job. Governor Sterling asked us to serve, and we would have been unfaithful to the trust reposed in us by the people of West Texas if we had refused to accept this responsibility; we would have been unworthy if we had declined; our organization has tried to give the best service that we could and we are ready to give an accounting of our stewardship, tell you what we spent every penny for, and the reports that have been filed, I believe will show that we have handled the funds in a manner reasonably satisfactory. I consider that the administration of the West Texas Chamber of Commerce in handling this in the early stages, it was a volunteer service that cost us considerable; we have always maintained our organization on volunteer subscriptions and have always fixed a quota for the different towns and communities.

Q. There was no secrecy about that?

A. None whatever.

Senator Woodward: Mr. Cline, with reference to another suggestion that has been made here as to the obtaining members in the West Texas Chamber of Commerce—there was no effort made to obtain those memberships through any threat that if they did not take those memberships out that the Federal relief funds would be withheld?

A. Certainly not to my knowledge. Senator, you will understand that Mr. Hawk is a man who would not, I know, ever stand for anything like that. Mr. Bandeen is here, and has the records of his office and I am sure can give you the desired information.

Q. In other words, in acting for these various communities, the various chambers of commerce or other civic organizations were supposed to make contributions to the West Texas Chamber of Commerce to carry on not only that work, but the other activities in which you engaged—and they were doing this work at the expense of the West Texas Chamber of Commerce, as well as the distribution of these Federal funds?

A. That is right.

Q. There was nothing compulsory about them joining the West Texas Chamber of Commerce, and the fact that they took out memberships was more or less a recognition of the fact that you had rendered a service for them which they appreciated?

A. Yes, sir. It was not a matter that they were required to do. The figures of our office will show that we have memberships from practically every county in the territory served by us—these memberships come from individuals and organizations. They were not required under any circumstances to take out these memberships, but it was wholly voluntary. We felt that in getting many members into our organization they would have in interest in it and we could therefore get better cooperation from them in the work that we were trying to carry on—the West Texas Chamber of Commerce has tried to serve the people of West Texas, and the people who are interested in the development of West Texas seem to think that they have gotten the job done for them in West Texas. That is the purpose of our organization. We have tried to get the job done and the results will have to speak for themselves.

Afternoon Session, September 29, 1933.

Pursuant to recess the Committee of the Whole Senate reconvened at 2.28 p. m., September 29, 1933, whereupon the following proceedings were had:

Chairman Purl: The Committee of the Whole Senate will please come to order.

Senator Small: Mr. Chairman, the mayor of Dublin is here and he is travelling by auto and wants to leave as soon as he can, and he is here in obedience to a subpoena. I would like to use him at this time so he can leave the city.

Chairman Purl: I believe when we recessed Mr. Cline was on the stand being questioned by Senator Martin. Senator Martin, is that agreeable to you?

Senator Martin: Perfectly agreeable to me.

Walter Hamilton, having been duly sworn by the Chairman to tell

the truth, the whole truth and nothing but the truth, testified as follows:

Senator Small: State your name.

A. Walter Hamilton.

Q. Where do you live, Mr. Hamilton?

A. Dublin, Erath County.

Q. Do you hold any official position in your city or county?

A. Mayor of Dublin.

Q. Mayor of Dublin?

A. Yes, sir.

Q. What is the population of your city?

A. About 2300.

Q. How many?

A. 2300.

Q. 2300; do you remember the population of Erath County?

A. Let's see, about 21,000 approximately.

Q. Have you had anything to do with the administration of relief funds in Erath County?

A. Yes, sir, I was chairman of the relief committee of the county under the old set-up and am on the county committee at this time under the new set-up.

Q. Did you begin your services as chairman of the county relief committee; was that your first connection with it?

A. No, sir, the first set-up the various—the two towns, at least in our county on the set-up there, made their applications or requests and were allotted their relief money by the committees of the towns. After the first allotment the county was then made the unit and we operated under the county unit system.

Q. At first it was administered as a city unit?

A. Yes.

Q. And stephenville and the other towns made their requests and it was all administered there?

A. Yes, sir.

Q. And later on it was changed?

A. The county was made the unit.

Q. At that time you became the chairman of your county unit?

A. Yes, sir.

Q. How long did you serve as chairman?

A. Until the new set-up was in vogue, about the first of August.

Q. The first of August, of this year, of course?

A. Yes, sir.

Q. How many of the old membership was retained on the new committee?

A. I believe I was the only one of the old committee.

Q. The rest of them were let out?

A. Substituted, yes, sir.

Q. Who is your district supervisor out there?

A. Mr. Buchick, I believe.

Q. About how much money has Erath County had?

A. I would estimate about \$12,000.00.

Q. All the time, that covers the whole period?

A. Yes, sir, up until the first of August.

Q. Has this committee served without compensation?

A. Yes, sir.

Q. During the time that you were chairman of the committee I wish you would tell this committee about what was the overhead expense per month of your committee?

A. Well, I would judge it did not exceed \$25.00 for administration.

Q. Twenty-five dollars for administering relief in a county of twenty-one thousand people?

A. Yes, sir, over the entire five or six months.

Q. How much help did you have?

A. Well, we used a young man, I did, to make the county reports. Under the old set-up we made two reports a month, one every fifteen days, and I had additional help at that time. It took, I imagine, about two days or three each.

Q. Well, did you do any work?

A. Oh, yes. Relief work?

Q. Relief work.

A. Yes, sir.

Q. Tell the committee the nature of the relief work you did.

A. Well, we did street improvements, we laid sewer mains, water mains, lateral roads, improvements, I believe park improvements, city park.

Q. Give your opinion as to your estimate of the efficiency of the work you did, that is how much work you got out of a man for what you paid him.

A. Well, as a whole I believe we got pretty good service. I know this one thing, the more meritorious job he was on the more efficient work

you got. Those fellows wanted to be doing something that would be of service.

Q. If you were doing something of a civic nature and worth while your experience was that you got fairly good work out of them?

A. Yes, sir.

Q. Lateral road work, sewer extension, waterwork extension and work of that nature?

A. Yes, sir.

Q. Did you do very much direct relief, that is, issuing money and groceries?

A. Very little; the first few months we confined it strictly to work relief. We had our Community Chest and Red Cross and until they went broke they took care of them and we used all the money from the relief funds on work relief.

Q. I will ask if you coordinated the Community Chest and Red Cross movements with the general relief work you were doing?

A. Yes, sir.

Q. Did these organizations assist you in handling the relief work in your county?

A. Yes, as long as the organizations had the money we referred to them the direct relief and we handled the money that was allotted to us as work relief.

Q. Now, since this relief money has become plentiful, isn't it a fact that the contributions to the Community Chest and the Red Cross have fallen off and these organizations are practically extinct because they cannot get any money?

A. Well, I guess yes and no. Probably the fact that it is available and too the "depression" has had something to do with it. Of course it is harder to get any sum of money for direct relief from the Community Chest, did there at least.

Q. Your county is an agricultural county?

A. Yes, sir.

Q. In an agricultural county having a population of 21,000, a good per cent of it is rural population, do you think that this service of distributing relief can be administered efficiently without much overhead expense?

A. Yes, sir, I do. I think it can be administered efficiently and economically under principally volunteer committees in our section.

Q. Volunteer committees from

the public-spirited citizens of your town?

A. Yes, sir.

Q. Do you know who it was that selected this last committee that superseded the old committee?

A. I understood it was a committee appointed, one by the committee, two by the Governor, two by the Stephenville organization and two by the Speaker of the House.

Q. Was this committee approved by the commissioners court?

A. Eventually I understand it was. At first I understood it was not.

Q. It was not for a considerable time?

A. Yes, sir.

Q. Was there any widespread dissatisfaction with the way and manner the old committee was handling the work?

A. No, sir, I didn't hear any complaint.

Q. Everything was moving along very nicely?

A. Yes, sir.

Q. From your experience as mayor of your town I would like a statement from you as to the way and manner in which you think these relief funds should be handled.

A. Well, in a community such as ours it would probably be different than in a more populous community, but in communities such as ours and in counties I might say, such as ours, I believe it could be handled more equitably and I believe the committees there know the nature of the situation, know the people personally—the way we handled it we knew personally practically every case and I believe it can be handled to best advantage, go to folks who actually need it and be imposed on less that way than it would be by a set-up foreign to that community.

Q. How many employees are there up there on your administrative payroll now?

A. Well, we have at this time, in the new set-up, I believe we would be entitled to two at Dublin, two or three at Stephenville and two at Thurber.

Q. Do you know what the overhead cost is at this time?

A. Since the organizations were organized we haven't functioned very much. The best I can estimate it would cost \$400.00 a month.

Q. What was it under the old set-up?

A. I would say thirty or thirty-five.

Q. Then it goes from thirty or thirty-five under the original set-up to three hundred and fifty or four hundred under the other one, multiplied by ten?

A. Yes, sir.

Q. What is your opinion as to the demand or requirements for relief funds in Erath County at the present time as compared to a year ago; are conditions better or are they worse?

A. Right at this time they are better than they were last year; there is less demand and less need for relief as it is harvesting time and there is some work for folks who really want to work.

Q. Are you carrying out any relief now at all?

A. Some; no work relief, direct relief now.

Q. That is going to the invalid class or people unable to do physical labor?

A. Well, not necessarily; where we don't have a job and they comply with what we call the relief card or case card, he gets his relief just the same.

Q. Don't you think it would be much more agreeable in your county to let your local citizenship select that committee rather than someone at Austin select it and tell you whom to name?

A. Yes, sir, I think it would be agreeable and you would probably get a committee which knew better about the situation.

Q. People that know better about the conditions that exist?

A. Yes, sir.

Q. Do you have any other suggestions to make to the committee about handling it in counties the size of Erath; if so, we would appreciate having them.

A. The only suggestion I would make is from my experience under both set-ups. I feel that the overhead is a little excessive; it may not be, understand; it is possible that under the set-up, the forms that are required, it is possible it would take that much clerical work to take care of it, but I believe it is excessive. I don't believe, in a community the size of ours, I don't believe it is warranted, that much clerical work.

Q. To date you have spending United States money; now you are going to spend Texas money. Do you think any such expenditure of money is necessary in using Texas funds that way, \$400.00 a month as compared to \$40.00 under the old system?

A. No, sir. If it gave better protection I wouldn't say that; but under the old set-up where the Governor allowed so much money and Erath County gave the bond for that money and then if it came in to me or the chairman of the county committee and he allotted so much to the various cities and they gave bond and the proper reports, I don't see how it could be safeguarded any more.

Q. You made some good, responsible citizen responsible for the money and the way it was handled and you were satisfied with the way it was handled. How many are under bond at this time?

A. Under the new set-up? I don't know. I understand they had a blanket bond, I don't know.

Q. You haven't signed a bond recently?

A. No, sir.

Senator Martin: At the present time we have a statute governing the disposition of the Federal funds that are turned in to Texas. We have a set-up under that at this time. You realize if we were not to go back to the old set-up and were to quit the one we now have we would be experimenting, do you not?

A. The new set-up, as we are operating under it now?

Q. No, if we were not to continue operating as now and not going back to the old set-up, any new set-up would be an experiment?

A. It occurs to me—

Q. It would take considerable money, loss of time and expense to change from one set-up to another?

A. It seems to me it would.

Q. You also realize that if we were to enact an act that did not suit the Federal Government and they would not come in and operate under our laws, we would have two set-ups in the State?

A. Yes.

Q. Under those conditions then the same applies to whether they amend them rather than enact new

statutes, and attempt to do things in another way?

A. It seems to me the policy has been tried out and worked under the emergency, and this certainly is an emergency.

Q. The committee you have up there that you spoke of your commissioners' court being slow to approve them, that is your county board?

A. No, that was the county committee.

Q. Did you have any complaint yourself about any man on that committee?

A. No, sir; the commissioners' court evidently did and for the reason as I understand it they did not think it was equitably divided, that is that the different commissioners were not equitably represented on it.

Q. In other words the commissioners' court desired to have one from one precinct and one from another and so on. Were all these committeemen selected from the city of Dublin?

A. No, sir, the majority of them were selected in the city of Stephenville.

Q. You would have no complaint to offer as to the work that is now going on except you think the overhead is a little excessive?

A. Well, I hadn't had occasion to observe how it is going to work, but that one thing does stand out, that the overhead is extremely excessive.

Q. This Erath County—Dublin is in Erath County?

A. Yes, sir.

Q. The situation hasn't yet been ironed out and you don't know how the overhead is going to be?

A. I don't know how the committee is going to function.

Q. What part does Mr. Hale play up there?

A. Mr. Hale is the county administrator.

Q. And who is Nell Reynolds?

A. I suppose his helper, stenographer.

Q. Who is R. T. Fisher?

A. Fisher is administrator of Dublin.

Q. Now they report here that E. S. Hale is administrator, drawing \$75.00, Nell Reynolds, assistant, drawing \$20.00, R. T. Fisher, supervising sub-station at \$50.00, total \$145.00 a month. If that is the ex-

pense of Erath County, would you think that is too much?

A. Well, that would be considerably more than we had. Under the present set-up I don't believe it would; what I mean to say under the present requirement of records a lot of extra records that you have to keep it probably isn't too much. It takes a lot of clerical work to do that.

Q. You realize that volunteer work becomes tiresome to people?

A. Yes, sir.

Q. In any kind of business everybody's business is nobody's business; you realize that. That is ordinarily true, is it not?

A. Most folks in a case of this kind, I think would take it seriously. I think these committees would either function or not.

Q. Maybe they would not function as seriously as they should.

A. They may be replaced.

Q. You realize if the Legislature were to enact a law placing this entirely in the hands of the commissioners' court to distribute the funds and they should become derelict, you realize we would not have any way to get the commissioners' court out of office.

A. I suppose that would be the case in any set-up you would elect.

Q. If we were to put that under an organization which is already in existence you would not have to elect them if at any time that organization should cease to function the State department would be powerless to change that to some other organization. Had you thought of that?

A. Well, that probably would be true.

Q. In your county probably you would have a great many people who would be glad to render service free and to render as much as possible but you realize in 248 counties some would not function properly.

A. Probably that would be the case in any set-up you got up.

Q. Don't you think it would be better to have one central head in head control of every branch from first to last rather than work different organizations some of which would function well and some would not?

A. I should think anyone who handled it would be responsible to the Governor or some committee.

Q. You understand that we did not enact it in the law making each committee under which we operate a part of the State organization, no one would have the power to remove him from office and it would create a task there that would render trouble all the time? Had you thought of that feature of it?

A. Well no; I had never featured a volunteer committee that would take the position and not function.

Q. But you could see that if some of them did not function properly what might happen.

A. Yes, sir.

Q. Under your old set-up you made a report showing where all the funds went and whether direct or work relief?

A. Yes, sir.

Q. Under the old system?

A. Yes, sir.

Q. The same as the present system?

A. Yes, sir.

Senator Sanderford: Who is your county committee?

A. M. Rufus Higgs, newspaper man of Stephenville; Mr. John Frey; Mr. Bates Cox of Thurber; Lindsey Phillips of Stephenville and myself.

Q. Don't these five gentlemen represent—of course you might be modest and excuse yourself—generally don't the people up there think that Mr. Higgs and Mr. Phillips are outstanding citizens? Aren't all these gentlemen generally considered to be leading citizens of character and honor and service in that county?

A. I think they would have plenty of confidence in them. It was a little unfairness as to representation by the committee; they felt that one town was given more representation or more preponderance of representation than was fair.

Q. Do you think it would be a good system to have one citizen from each precinct in the county and then one at large?

A. That would not be a bad set-up.

Q. If it was left to the local people to select rather than the people down here, could they have selected five more consecrated citizens, devoted to public good?

A. I don't know about that. This committee did change the personnel of it, I don't know why. I would

not say whether or not they are any better than those who went out. I think they are all conscientious men.

Q. Mr. Higgs is Chairman?

A. Yes, sir.

Q. I just read a telegram from him the other day stating that generally the people of the county were well pleased with the administration of the funds. It is a fact, is it not, that Mr. Higgs was known to be opposed to Governor Ferguson in the last campaign?

A. I don't know about that.

Q. State politics has not entered into your set-up up there?

A. As far as I am concerned it has not.

Senator Collie: Did you testify you had been on the board previously and you were retained on the board?

A. Yes, sir.

Q. You were the only one that was retained?

A. That is my memory—probably Mr. Phillips was on before.

Q. You were the former chairman of the board?

A. Yes, sir.

Q. Your testimony about the administrative expense was so unusual I asked Mr. Westbrook for some figures. You testified your expense there had been between \$350 and \$400 a month?

A. I said it hadn't functioned on that very much. I didn't state it was that but that's the way it looked to me it would be, would be between \$350.00 and \$400.00.

Q. As former chairman you signed the reports?

A. Yes, sir.

Q. I judge Mr. Higgs is signing them now, isn't he?

A. I judge so.

Q. How much money per month did you get in Erath County before April?

A. Well, it varied; I would say around two thousand dollars.

Q. Is that an average of two thousand dollars a month?

A. Yes, sir; without having any figures I would estimate it at that.

Q. If the report sent above Mr. Higgs' signature shows the following figures for April; received \$2,313.33 and your administrative cost \$61.47, is that approximately correct?

A. April?

Q. Yes, sir; which is two plus per cent of the amount received.

A. Administration? That is probably so. We had, I imagine, fallen off in Dublin. I called the Austin office's attention to it. We operated for the first four of five months Dublin and Thurber. We didn't understand we could take anything for administration and we didn't charge anything for administration and right along the Stephenville office did charge; right in this time I imagine you will find that was the local administration at Stephenville and not the county.

Q. You have been on both boards. Do you know whether or not there is any difference in the charging of administrative costs now than there was then?

A. No, I don't know how Mr. Hale handled it.

Q. For May you received \$2,257.40 and the report shows administrative cost of \$117.86, which is five plus per cent; now is that about right?

A. Well, without looking at the records it sounds excessive to me. I don't think—didn't have that cost.

Q. I thought you testified your administrative cost was between \$350.00 and \$400.00?

A. My opinion was under the set-up it would be.

Q. In the future, not what it had been?

A. No; of course they have had months—one month under the set-up and I haven't been furnished the figures on it, and the only way I could do would be to estimate it.

Q. The reports do show it?

A. I presume. That is all under the old set-up. The new set-up took it over the first of August.

Q. This is not Mr. Higgs' report but yours?

A. That may be his report to you; I don't know.

Q. No; I believe you signed these reports. They have asked for these figures. June receipts \$2,298.58; you show cost \$70.00, which is three plus per cent, July \$3,389.89 and in your report you show \$141.45 as administrative cost, which is five minus, a little less than five per cent.

A. I don't remember about the time on that. I don't remember what part of July was in the new

set-up—I don't think so; I don't know just when we changed administration.

Q. You did not mean to testify in answer to questions from Senator Small that your administrative expense in Erath County was \$350.00 to \$400.00 a month?

A. Yes, sir; those figures have not been submitted to me; the only way I have to tell is estimating what they propose to do.

Q. What do you classify as administrative expense?

A. Clerical help, for instance we will take Mr. Hale's salary and his clerk and then Mr. Fisher's salary and I understand that they allow him a clerk.

Q. Let's see; Hale's salary is \$75.00.

A. I had it a hundred; I didn't know.

Q. What is the other man's name?

A. Mr. Fisher, fifty dollars.

Q. He is assistant administrator, that is \$125.00.

A. And I understand each of them were to have a clerk at \$25.00, and Thurber was to have an administrator also with a clerk.

Q. I thought you were giving me the set-up a minute ago.

A. Well, Thurber is in the county.

Q. I thought you were giving me the county set-up.

A. That constitutes the county set-up.

Q. You have a local administrator at Thurber?

A. They have a man there who makes out the same kind of a report and on the forms the administrator makes out to Austin. He makes them out to the Stephenville office and they make them out in turn to Austin. His only duties are making out reports.

Q. Is that his only duty, just to make up a report?

A. Yes, he makes up what we call case records. When a man applies for relief work or direct relief, this case record is made up.

Q. Do you have one at Dublin, Stephenville and Thurber?

A. Yes, sir.

Q. Do you have any others in those counties?

A. Those are the only ones we have.

Q. What does the man draw at Thurber?

A. I understand he draws \$50.00.

Q. Do you have any other administrative cost? ?

A. He is entitled to a clerk I understand.

Chairman Purl: Mr. Hamilton, I assume what you are saying is very interesting and worth while but I can't hear you very well; I don't think the reporters can and I don't think the Senators can hear you. I don't want to be dictatorial, but if the testimony is worth going into the record it is worth hearing. If you will speak louder, we will appreciate it.

Senator Collie: I hate to rehash this thing, but if the reporters didn't get it, I will do it.

A. We had certain costs to pay out of the funds. Mr. Bushick's salary and expenses would come out of that fund.

Q. Mr. Hamilton, you testified awhile ago that conditions were getting better up there. Now, where is there any justification to use money on a payroll there under your board?

A. I don't believe we can do it any other way.

Q. You have increased your personnel there and your administration, you have testified.

A. I didn't increase it; the district supervisor at Austin or somewhere else did it; I didn't increase it.

Q. How do your receipts compare up there now as they did under your administration?

A. What has been allotted up there?

Q. That is right.

A. I believe we have had one allotment since the change.

Q. How much did your county receive?

A. I think \$2,000.

Q. That compares with just about what you had been getting before.

A. The county's?

Q. Yes.

A. They calculated \$2.00 difference.

Q. Have you added any more on your relief rolls?

A voice: Mr. Chairman, pardon me for interrupting, but I suggest that the interrogator sit back here

and interrogate the witness and let the witness speak out when he answers.

Chairman Purl: I believe he can be permitted to sit where he is, but I will ask him just to speak out.

Senator Collie: I had to get up here so I could hear the witness.

Mr. Hamilton: I am sorry I haven't got any more volume to my voice.

Senator Collie: Here is the idea, Mr. Hamilton. Without criticizing you or anybody else concerned. I live in a county very little larger than the one you live in; I want to know what you are doing there in Erath County; that is the purpose of this questioning; I want to know how you handle your work programs over there.

A. Well, I don't understand just exactly what you mean by that. How do we select men for work?

Q. That is right, a part of it.

A. Well, from the case record, we have a case record there, of course; the way we have been doing we have used the garment to fit the cloth. We couldn't have a special amount with so many in the county; we didn't have the money to do it with; we had to watch that pretty closely.

Q. You say you didn't have enough money; you mean you had some money to investigate those cases?

A. No, we didn't send anyone out to investigate.

Q. Well, I assume that you had considerable country people to come in there on your relief rolls.

A. Yes, sir.

Q. You probably had that work there in Dublin, Stephenville and elsewhere.

A. Well, they had to make out a mighty good case.

Q. Who did that? Didn't your case workers do that?

A. They made out the case record card and that was submitted to the local committee. Our local committee was composed of the school superintendent, druggist and general merchant who knew practically all the people in that part of the State. This case record is made out and it is submitted to this local committee who rate the card or grade it according to the relief they figured was necessary.

Senator Collie: All right.

Chairman Purl: If there are no further questions this witness will be excused. (No question interposed.) Any further questions?

Senator Martin: No, sir. I just wanted to ask for another witness. Mr. Cox is here, I understand.

(Witness excused.)

Senator Rawlings: We have another witness here from San Antonio. We have these records of the audit here. I don't think it will take more than five minutes to get rid of this witness. I would like to put this witness on at this time.

Chairman Purl: That is a matter for the Steering Committee. If you can agree on it, the Chair will call the witnesses.

Senator Martin: I yield.

Chairman Purl: The Senator from Hill yields to the Senator from Tarrant. Who will you have?

Senator Rawlings: Miss Kolling.

Thereupon, Miss Ruth Kolling was sworn to tell the truth, the whole truth, and nothing but the truth, and testified as follows:

Senator Rawlings: I wish to make a statement here at the counsel table. I really think we are getting down to the stage in this investigation where we will have to limit the time of the witnesses. I am trying to make my questions as brief as possible and I think the members of the committee should bear in mind the fact that our time is getting limited so we won't rehash all the ground that we have done over.

State your name to the reporter.

A. Miss Ruth Kolling. Did you hear me?

Chairman Purl: No, ma'am, I didn't hear a word. You will have to speak louder.

Q. Your name is Miss Ruth D. Kolling?

A. Ruth D. Kolling.

Q. What position do you occupy now, Miss Kolling?

A. I am consultant for the Bexar County Board of Relief and Rehabilitation.

Q. How long have you held that position?

A. Since August 7th.

Q. How long have you held that position?

A. Since the 7th of August, 1933.

Q. What work were you engaged in prior to that time?

A. Immediately prior to that I had made a survey for the Texas State Board of Rehabilitation and Relief in Dallas.

Q. Who employed you for the San Antonio job?

A. Colonel Westbrook.

Q. Do you know how Colonel Westbrook found out about you?

A. I don't know. I imagine he learned of me through Mr. R. B. Williams, field representative of the Federal relief organization.

Q. You have done work under Mr. Williams' direction before?

A. Yes, sir.

Q. You have been engaged in this character of work for many years?

A. Yes, sir.

Q. Miss Kolling, there has been some complaint here at this hearing about the organization at San Antonio. Before we get to that, however, who is your administrator?

A. Mr. Alsbury.

Q. Mr. Alsbury. Is there any other man down there by the name of Alsbury working for you?

A. Not that I know.

Q. You know of no other Alsbury in the organization at San Antonio?

A. There is another Alsbury that is around headquarters building; I have never been told that he is on the staff.

Q. What position does he occupy down there; what duties does he perform?

A. He told me one day when he first came into the organization, into the office, that he was a Federal employee.

Q. A Federal employee?

A. He didn't say for this organization, he said "Federal employee."

Q. Well, does he undertake to exercise any authority in the organization?

A. Sometimes.

Q. Is he a brother of the administrator?

A. I am told that he is.

Q. Miss Kolling, was any change made down there in the last few days about the manner of reporting these people on relief work or administrative work.

A. The change mostly has been, I believe, in this respect that the Federal and the State rules and regulations are that those who receive relief must come through the relief

department, which is the department that I am operating. In the last several days there has been, I might say, a hundred people who have been on the payroll dumped into the relief department which is my department.

Q. When did that take place?

A. The biggest part of it took place last Friday and Saturday.

Q. Last Friday and Saturday they dumped a hundred people from the payroll and they landed on your roll?

A. Yes, sir.

Q. Do you know why that was done?

A. I didn't know then.

Q. Who told you that they were transferring them from the payroll to the Relief Department?

A. Mr. Arnold.

Q. What position does he hold?

A. I think he is supervisor of the Work Department of the organization.

Q. And during the past few days, starting with Friday and including Saturday, they changed them from the payroll over to the Relief Department. Do you know why that was?

A. It was definitely stated to me that there was so much criticism about the size of the administrative expense, it was done for that purpose, to decrease that.

Q. To decrease that. Has that report come out, showing the number of people that are supposed to be carried by your department?

A. No, sir. I see nothing that comes to Austin. I know my own reports that come from my department; I don't know what is done with them after they leave my department.

Q. You don't know what is done with them?

A. No, sir.

Q. Do you have some rule or regulation defining a payroll employee drawing more than \$30.00 is supposed to be classed as an administrative expense?

A. There has been such a rule made that has come to us.

Q. That has come to you. Do you understand that any employee you have down there that is drawing more than \$30.00 a month is to be carried as an administrative expense?

A. If they are regularly employed.

Q. Do you know about how many of those you have got?

A. No, sir, I don't see those records.

Q. Are you denied the pleasure of seeing them?

A. Yes.

Q. Is there any political interference down there with the operation of your department?

A. With my department?

Q. Yes.

A. Well, there is a continuous attempt, I might say.

Q. Give this committee some idea of what that attempt is to influence or interfere with the relief work in San Antonio.

A. Well, I expect the simplest way for me to do it is to say that nine-tenths of my time is spent trying to convince people that they get relief on the basis of need; it does not make any difference how much political pull or pressure they try to exert on me, it makes no difference with me.

Q. What experience have you had along that line that indicates that there has been efforts to bring political pressure to bear in this case?

A. Plenty.

Q. Well, give the committee some idea.

A. Well, just the very fact that I have to spend so much of my time explaining to committees and individuals that I cannot give relief to people when they are not in need just because they are trying to exert pressure on me. That is one thing. To give you the actual number of cases, I would have to have my record here.

Q. Is there efforts made to persuade you to grant relief regardless of a particular case?

A. Yes, sir, many times I am told we have to put them on because of the political pressure they have, the political influence, you have got to give in to it.

Q. In other words, they are trying to use political pressure to get people on the rolls rather than get them on there through the merit system?

A. Yes, sir.

Q. You have heard some criticism that has come out of this hear-

ing about the department down there?

A. I have heard some of it and I have read some of it.

Q. It has been brought out at this hearing that there is dissension in the organization, they are not working harmoniously, and it has been intimated that you might be the cause of that. Now, you are privileged to tell your side of the story. If there is anything wrong with the organization, tell us what you think ought to be done to straighten it out.

A. It seems to me the first thing to be done to straighten it out, there ought to be an understanding with the administrators, because I feel there are more than one in Bexar County.

Q. How many do you have?

A. I would call Mr. Alsbury, Mr. Arnold and Mr. Bishop, at least the trio that is running that organization, it seems to me there should be a better understanding, if they intend to carry out the purpose of the organization according to the rules and regulations that are laid down for the administration of relief; that is not being done.

Q. Are they in sympathy with the rules and regulations?

A. No, sir. One of their cohort, I might say, told me very definitely that the Federal rules and regulations could not and would not work.

Q. In other words, they are not in sympathy with the rules and regulations for the administration of this work and want to run it according to their own notions?

A. Yes, sir.

Q. Do you have any evidence of any fraud; do you have any evidence of corruption down there in this department?

A. I don't have access to the records.

Q. Why don't you?

A. Because the administrator has told his department that I could not.

Q. That you, could not have access to the records?

A. Yes, sir.

Q. Why did he tell them that?

A. I don't know, I have never tried to take the matter up with him.

Q. Why do they try to keep you from seeing the records; what is wrong down there?

A. I couldn't say.

Q. What do you think about it?

A. I feel probably they think—I know it has come back to me several times—they feel that they can get by me. I am down there trying to enforce the rules and regulations. I imagine that is why, because they oppose that. I imagine that is why I am unpopular with the administration in existence there.

Q. What do you think is wrong with those records that they don't want you to see them?

A. My guess is as good as yours.

Q. Do you think they have got someone on the payroll that should not be there, or are they spending more money than they ought to spend? What do you think is wrong?

A. I suspect all that is wrong. But to make a statement and not be able to prove it—I couldn't prove it, I haven't seen the records. I do know this that in the relief department more aid has gone direct to families and less aid has gone to work relief families than was true when I went in.

Q. Do you think there are a little politics mixed up in there?

A. I don't know San Antonio politics. I couldn't say.

Q. Have you got any suggestions to make to the committee as to what ought to be done to straighten out the situation, to stop this extravagant expense we have got going on down there?

A. The suggestion I would make is that the administrator should certainly have a knowledge of how to run an organization of this kind, like we have in Bexar County; a man who knows something about administrative and executive work and about the rules and regulations of the organization that he is administering.

Q. You haven't wanted for funds to run it with, have you?

A. Not that I know. Every once in awhile I am told that the funds are low or that the funds are exhausted, but that is not because the application has not been made by the county; there have been some delays in checks being sent from here.

Q. Well, your expenses down there have been unusually heavy, haven't they?

A. I understand they have been.

Q. That is all the information you have about it?

A. Yes, sir.

Q. You have got an overhead down there, an overhead expense, haven't you?

A. Yes, sir.

Q. Do you think it should be cut down?

A. The report that I saw in the paper the other day they were accredited with spending \$18,000 for administrative expense. I should say it should be cut by more than half.

Q. Well, this wonderful report which has been sent in here shows \$18,000, for clerk hire and overhead expenses. The auditor's reports show \$63,000 for pay rolls down there.

A. What month was that?

Q. August. Do you think that is excessive?

A. I didn't know that was the case, but I think I can explain it in this way. The rules and regulations as set down by Mr. Westbrook and as set down by the Federal Government say all relief disbursing orders must come through the Welfare Department; we have rules and regulations that those who sign disbursing orders must have their signatures registered in the Auditor's department the same as they have when endorsing checks; disbursing orders are considered just exactly the same as checks, and those who sign them must register their signature with the auditor's department. Now, during August we were still going under the plan carried over from the old regime, that all work relief was not carried on by the Relief Department but was carried on through the Work Department. The only way I can figure that out is that the auditor carried out instructions, that relief had to be the sum total amounts on disbursing orders signed by workers in my department and all money that was spent was under administration. I am not sure that is right. I was told this morning about that figure and when I tried to figure out what the explanation might be that is the only thing I could see.

Q. Are you still following the policy down there of somebody going down to the bank and getting two or three thousand dollars in cash and

coming back and dishing out a few dollars at a time?

A. I don't know anything about that.

Q. It is shown by checks, that one man got \$4,000 in cash out of the bank, it was five checks, and it was testified that he used that as cash, distributed it to people who would come in, two or three dollars at a time, distribute it to those who were entitled to it, instead of writing a check, or giving a grocery order.

A. That is not going on at this time in my department. We are giving relief through disbursing orders only on the commissary and in special cases to merchants.

Q. It was testified that this four or five thousand dollars in August, was drawn out of the bank in cash and that cash was distributed.

A. In July?

Q. This is August.

A. Well, I believe the fund carried over from the old administration, I understand they allocated \$55,000 to be given in cash payment to the clients and that money was, a part of that money that was spent in cash payments that went through my department—well, the disbursing orders I think will show that.

Q. Well, did that practice prevail in August?

A. The expenditure of about \$50,000 of that allocation that was made in July was in August.

Q. Do you know how much that was?

A. I think there was a balance of about \$50,000 when I came in, and the new committee, the new administration agreed to spend that money as the former committee had allocated it, cash grants of \$4.50 to clients.

Q. Do you know how much was spent in that way?

A. I don't know.

Q. Is there anything else you want to tell us about the work down there, how to improve it, how to cut down the expense?

A. Yes, sir, I can. I think I should be consulted 100% because this is the third state I have worked in. The Federal rules and regulations are simple. There is one thing, I think, we have granted, and that is relief must be given through people who are trained for that purpose,

the same as you would take your watch to a watchmaker or your sick child to a doctor. I think the administrator should be one, as I say, who knows something about executive work and the administration he is going into.

Senator Rawlings: I believe that is all.

Senator Murphy: Miss Kolling, according to the auditor's report, there were, during the month of August, some 191 case workers there in San Antonio.

A. They were not all—under my organization I know that we have nine district offices, one of them may have about fifteen workers carrying a case load of over 3,000 families; I know we haven't more than 100 and I doubt if the number would reach 100 case workers.

Q. Was that true during the month of August?

A. Yes, sir. It has been increased since then.

Q. Who employs those case workers?

A. Supposedly myself, but the administrator's seem to think they can dump pretty nearly anybody onto the welfare staff that they want to. We have been trying to be patient about the thing until the State examination for welfare workers had been given; perhaps we could then employ people on their merits.

Q. It was testified to here either yesterday or the day before that all those case workers were on the relief list over there. Is that correct?

A. No, sir, not to my knowledge. As I say, I don't know what the records are. I don't see the payroll.

Q. Well, are they such persons as are qualified for relief, are they destitute people?

A. Yes, for the most part. We are choosing only people who are qualified for relief. We have had three or four workers on the staff who have been specially qualified by training to do social work; those people, there are three or four, who own property or have some other income but it certainly is not an exaggerated amount.

Q. Well, now, do most of them work in your department?

A. My payroll has been stuffed with everything from pay master to so-called truck drivers. I have nothing to do ultimately with the paid

force on my payroll. It is taken for granted that what the other departments seem to want to get rid of they are transferred to my payroll.

Q. Miss Kolling, I believe you testified that you had no access to the records.

A. No, sir, except the case records.

Q. Do you know how many people you had on the payroll there during the month of August?

A. Mr. Alsbury came to me one time and told me the payroll of my department ran up into the thousands of dollars. I said, "Mr. Alsbury, I will have to see that payroll, it couldn't be possible." I figured out with him just roughly the number of case workers I had, the number of clerks we had in the department and we estimated it was more nearly a few hundred dollars; but he never showed me the payroll or checked it with me.

Q. How does Mr. Alsbury devote his time over there. What is the nature of his work?

A. Mr. Alsbury has a private office in one part of the building and I have an office in the other part. I am so busy doing my own work that I pay no attention to what Mr. Alsbury does.

Q. Well, now, the auditor over there resigned three or four days ago. Was there dissatisfaction with his work; what occasioned that, do you know?

A. I don't know.

Q. What experience have you had in relief work?

A. Well, I graduated from the School of Social Workers of the University of Minnesota, 1918; then before I came here I was supervisor for the State Department of Relief and Rehabilitation of Mississippi; before that I was Executive Secretary of the Kansas Welfare Association for several years.

Q. Now, I believe I understood you to say that before you went to San Antonio you were doing some work in Dallas?

A. I made a city wide survey, for Mr. Westbrook, of the Dallas organization.

Q. Generally what was the result of that investigation?

A. I gave my report to Mr. Westbrook and nothing has ever been said to me about it since.

Q. Well, how did you find that organization functioning?

A. Very good. I was acting as consultant there. I was consulted about the reorganization from the old regime, what the new rules and regulations would be when the Federal organization went into effect, I think it was July 11th, I wasn't up there—I was up there, too, to show how this new organization should be carried into effect.

Q. Well, did they accept your recommendations about putting it into effect?

A. I believe they did, yes, sir.

Senator Murphy: That is all.

Senator Martin: How long did you say you have been in San Antonio?

A. Since the 7th of August.

Q. You say you have had committees to wait on you down there wanting to get certain persons on the rolls?

A. And individuals.

Q. And individuals. They would come to you and ask about putting some certain person on the relief roll. You have had committees come to you—

A. Not as committees. I have had groups.

Q. Well, they would come and wait on you and suggest to you about putting persons on the relief roll?

A. "Suggest" if you will, I would say "Demand."

Q. Demand that you put them on because of their political influence.

A. Yes, sir, and because it was prohibited I wouldn't do it.

Q. You say you spend nine-tenths of your time explaining those things, that this is not a political organization, is that right?

A. Yes, sir.

Q. Then you have had one-tenth of your time really to devote to your duties?

A. Just about.

Q. Then you have had only about one-tenth of your time to devote to your business. Now how much time have you to examine the records of the office there?

A. Well, most of it is that, when I am persuading those people, telling them that they can't get relief because of political pressure; that is a part of my business, at least it has kept a good many of them off the rolls; but when it comes to examining records, I have nothing to do

with the records outside of my department.

Q. Have you asked permission to go and look over the payrolls there, Miss Kolling?

A. I have asked for information from that department there but I have not been able to get it.

Q. Have they told you that you should not see them?

A. I have been told—

Q. (Interrupting) Have they told you that?

A. Yes.

Q. Who told you that?

A. The auditor who was working on the records there told me that he was told that I could not see those records.

Q. What information was it that you wanted?

A. I was wanting information about the audit, I wanted to get copies of our disbursing orders from him. The only way that we can check our different offices is for the different case workers to know how they are giving relief and the information that is being put out.

Q. Do you keep a record of the report you hand in? Do you keep a copy of the report which you send in?

A. I have never had access to the requisitions.

Q. Do you think that the fault or the failure is with the law that we are now operating under or the fault or failure of the organization?

A. It is the fault of the—it is the failure of the particular organization.

Q. You think the law under which these funds are now being handled is all right?

A. Yes, sir, absolutely.

Q. You think that the rules and regulations as set-up under the law now is all right for the proper handling of the relief?

A. Yes, sir.

Q. I believe that you were working in some of the other states and you are familiar with the laws under which this relief is given in other states, and of course when you came here you have familiarized yourself with the Texas statute on this?

A. Yes, sir.

Q. You think it would be a good law under which to disburse the funds of the State of Texas and of the National Government?

A. That is right.

Senator Hornsby: Miss Kolling, before you came to Texas did you have much experience with negroes?

A. I had about six months—six or seven months in Florida and about seven in Kansas.

Q. Well, the charge has been made here that you have been showing special favoritism to the black folks in San Antonio, is there anything to that charge.

A. That is the first I ever heard of it.

Q. It has been charged here that you gave a negro an order for eighty cans of milk?

A. I did not do that myself—I do not know of any order ever being given for anything like that amount of milk.

Q. Was any one negro ever given an order for eighty cans of milk?

A. Not to my knowledge.

Q. Well, will you say that that was not done?

A. Not to my knowledge.

Q. You have never heard of that before or anything like that?

A. No, sir, I never heard anything like that report before.

Q. You do not know whether that is true or not—do you have anything to do with the giving of these disbursing orders to these negroes?

A. I am in charge of the ones who might give them—I am in charge of those who visit the various families on the case work and determine what amount of supplies the family might need. I cannot see where there would be any necessity for giving a disbursing order that large?

Q. What was your largest disbursing order for groceries?

A. I do not know, I have not seen anything like that large an order. It would have been shown on the family case report if there had been need for anything of that nature.

Q. I was not talking about what is shown on the case report, I am asking about what you know personally about an order of that size being given.

A. I personally, never issued an order of that kind.

Q. Did it go out of your department to one negro?

A. I do not know, I have never heard of it before.

Senator Stone: Who sent you over to San Antonio?

A. Mr. Westbrook.

Q. And you have been reporting to Mr. Westbrook direct since you went there as to the conditions over there?

A. I have not been reporting on individual conditions. My work has been to try to put over the organization and according to the rules and regulations that have been set-up in other sections of the country.

Q. You are supposed to report to Mr. Westbrook on the conditions as you found them, are you not?

A. I was sent down there to establish an organization.

Q. How long have you been there?

A. Since August 7th.

Q. Have you ever made any report to Mr. Westbrook on what you have found there?

A. I have been in rather frequent correspondence with Mr. Westbrook.

Q. Please answer my question Miss Kolling.

A. I expect you would call them correspondence reports.

Q. How long did it take you to find out the conditions that you have heretofore named?

A. The first information that I had about these conditions was—I did not pay any attention to these conditions until this thing struck up here, then I found out what some of the difficulties were that had been thrown in my way.

Q. And you had been down there for two months up against this political question before you found it out—before you found out what it was?

A. I realized that there was a lot of pressure—that there was a lot of pressure being brought to bear, yes.

Q. This pressure was on you—who exerted this pressure on you?

Q. You mean by name?

Q. Yes.

A. Well, in the most it was the administration itself.

Q. Did Mr. Westbrook at any time indicate to you that he was trying to exercise any special pressure?

A. No, sir.

Q. Has the relations between you and Colonel Westbrook been friendly and has there been a dis-

position on his part to cooperate with you or not?

A. One hundred per cent.

Q. Has he been doing the best he could to remedy the situation that existed there and to cooperate with you and advise with you on the reports you made to him?

A. He certainly has.

Q. Have you gone into quite length and detail in the reports you have made on the situation down there?

A. My reports usually indicate the condition and asked for a policy to remedy. But I do not go into the petty details of those sort of things. I have tried earnestly to keep my part of the organization on a high plane and in keeping with the professional standards of those in this kind of work.

Q. You were speaking a moment ago that you were hindered in your work because of political pressure that was brought to bear on you, and I would like to know what that was.

A. You will have to ask Mr. Westbrook about that. It has only been working the last two weeks.

Q. I thought that you stated that you had been there about two months.

A. I have been there about two months.

Q. And it took you from the 7th of August until the last two weeks to find out what that condition was?

A. I really thought that we were going to get this whole matter straightened out and that it was not going to interfere seriously with the organization.

Chairman Purl: Any further questions?

Senator DeBerry: Mr. Chairman I would like to ask this witness a few questions.

Chairman Purl: Proceed.

Senator DeBerry: If I remember right that when Mr. Wendler was on the stand he said that it took about 450 employees to administer relief to the destitute, and to feed the hungry, and the report further shows that the minimum salaries paid those employees was about \$64.13 per month. Now, then, according to my figuring that would be considerably over thirty thousand per month that would be spent for salaries in the administration and

distribution of this fund. Now, we are getting into a discussion as to what the administrative cost was—we do not want to get into a discussion about administrative costs but would you or not say that if they have one hundred and forty thousand dollars to distribute is not that too much to go to 450 people as compared with what the rest of them would get?

A. I would say that it would be.

Q. About how many people are on the relief rolls in San Antonio?

A. On the 15th of September I made a case count from our active list and from that there would be some 8 to 9 thousand families from the 1st to the 15th of September. That is merely an estimate because that only covers a portion of the month, that is, from the 1st to the 15th. I would say that there would be half again that many people coming in from the 15th to the last, and that did not include the single cases or transient group.

Q. That would make the total of about how many not including the transients?

A. Of about 11,000 families in September.

Q. What is the factor they use in determining the number of people and the given number of families?

A. Four and a half.

Q. Then that would make around how many individuals?

A. Around 50,000.

Q. Then the testimony that has been offered here and the report that has been made showing a figure of 70,000—you do not think that is correct?

A. No.

Q. You don't think they are feeding 65,000?

A. No.

Q. At any period since you have been on the job there do you think they have been feeding 70,000?

A. There was a rush period during August—I did not have control of the reports of work relief, I do not have access to them and I can not tell you a thing about that for August.

Q. Well, taking into consideration the fact that you have had some figures there—your own figures would be around 50,000, it has never been very much above that, has it?

A. I believe it was in August.

Senator Small: Was it pretty heavy just before August 26th?

A. For a couple of days before August 26th we were pretty much cut down.

Q. You would not let them have very much then?

A. The direct relief families were let to have as much as we could.

Q. Now, you spoke about the law that we are operating on in Texas, what authority has the local Bexar County board or any other board under this act?

A. Not only the Bexar County people but the boards in the various political subdivisions of the State are authorized under the law as advisory boards.

Q. They can just advise and that is all?

A. They should adopt policies which they will have to submit to the State board for approval or disapproval.

Q. Then all they can do is to give advice and they can not make anybody take it?

A. It has no authority until the policy outlined is adopted by the State board. The local welfare and employment boards have no authority and only act in an advisory capacity. But these matters of policy and the authority of the various boards is a matter that I would not like to pass on—that is a matter for the State director. When the State board has approved a policy then we can act upon that.

Q. Has the local board any authority, can they hire or fire anybody?

A. You mean generally or in Bexar County?

Q. Yes?

A. Well, according to the regulations that are supposed to be purely advisory board.

Q. Then the local board cannot hire?

A. They can recommend.

Q. They can just recommend?

A. Yes.

Q. So as a matter of fact the only thing that they can do is to act in an advisory capacity.

A. I believe so, but I think the matter of establishing policies is more than advisory.

Q. They can do nothing if the policies are not carried out—

A. If the State department ap-

proves the policies they have recommended, then those policies would be carried out or should be carried out by the local board.

Q. But as a matter of fact, the county board has very little power over the administrator?

A. I don't know.

Q. Now then, what authority, or what power has the State board got over the State administrator?

A. I can not say as to that, because I have not seen them function.

Q. The Governor appoints the State administrator, and the State board then would have very little to do with it, would he not?

A. I really do not know. I have not taken the time to study that end of the organization's function.

Q. They are a kind of perfucutory board that comes here to Austin once in a while and holds a meeting—. Have you ever read the law that says what your duties are or about what the duties of the State board are?

A. I have read the State law.

Q. What powers does the law give to the State commission?

A. I do not remember anything about that—what the powers and duties are. I did not read the law closely.

Q. Now, is it not a fact that the county commission has no power over the county administrator, and that the State commission has no power over the State administrator, and that the Governor appoints the State administrator and the Governor is the whole shooting match—is not that about the set-up?

A. I guess that is.

Chairman Purl: Any further questions—

Senator Stone: Mr. Chairman, I would like to ask just one or two questions more—Miss Kolling, has the Federal Government got out any regulations to the effect that you have to pay thirty cents per hour for an eight-hour day, when you put anyone on relief work? That would be \$2.40 per day?

A. My understanding is that we are governed on our weekly—on our work relief, by the N. R. A. wage scale. I think it is thirty cents an hour for an eight-hour day, and not to exceed forty hours per week.

Q. Is that the wages you are having to pay in San Antonio?

A. May I go back to the relief

proposition. When a family is placed on work relief, they are placed on work according to the amount of hours that the welfare worker determines will be necessary to take care of the needs of that family.

Q. What would the average be?

A. Well maybe \$5.40, or \$29.40 per month. Whatever the amount may be determined to be necessary to take care of the needs of that particular case. There are two scales of work-wages under the N. R. A., one thirty cents and the other I believe is thirty-seven cents per hour, whatever the wage scale is for that class of work. Depending upon the amount of relief that is needed by the particular case what number of hours he may be permitted to work.

Q. That would figure what at 8 hours per day at 30 cents per hour?

A. That would be \$2.40.

Q. Don't you think that a good many people would rather have work at a dollar a day than to pay just a few \$2.40 per day?

A. I would say that we do not have anything to do about that. We do not have a thing to do with fixing of the rate of pay that is given to these relief subjects. The only thing that we have to do with that is to determine the needs of the particular case; determine the amount that will be required to take care of their needs from the standpoint of relief. We go into the home, check up the employment possibilities, the character of work the members of that family are capable of doing, and we establish the amount of relief that will be necessary to take care of them for a given period, and then from the number of hours that will be required of work relief according to the scale of pay, that fixes the amount of relief at the rate of wages and the number of hours that will be given.

Q. About what will that average per family?

A. Well, I can tell you that about the second of October, because this is the first time that we will have a check on that so as to give any definite figures.

Q. Well, what is your best judgment—would it run ten or fifteen or twenty dollars per month?

A. Well, on the average it would depend upon the size of the family,

the condition of the working members, but I would say, on the average, twelve or fifteen for the white people and possibly seven or maybe eight for the colored and Mexican families.

Q. Well, taking the minimum on the basis of 30 cents per hour and eight hours a week—a day—and five days a week—

A. (Interrupting) They work out the relief at the wage scale established by the N. R. A.

Q. And that prescribes a minimum of thirty cents per hour and eight hours a day, doesn't it?

A. Yes.

Q. And in some cases you have men working at more than thirty cents per hour?

A. In San Antonio, there are possibly a few, but the policy we follow in San Antonio is to—where they are given work, to work them only about three or maybe only two days a week, just enough to give them work relief enough to take care of their actual requirements. That is, whatever amount of relief was required to take care of their requirements for that time. If a man's requirements were \$5.40, he would be permitted to work maybe three days.

Q. Well, now on the basis of fifteen dollars per month for the family, and \$2.40 per day, that would only require about two days a week to come to that?

A. Yes, sir.

Q. Did you keep track of them to see whether or not in the meantime, they did not have any other work?

A. Eventually, when we get our set-up perfected, we will be able to do that.

Q. You have not done that so far?

A. No, sir, we have not been able to do that as yet. We have to some extent, but not to the point where we expect to when we get our organization perfected.

Q. Is that what you are trying to work out?

A. Yes, sir.

Q. Well then, if that man can get any other employment during that time, what do you do?

A. We deduct the amount of his need—the actual amount that he may have needed from the amount

of relief that we had estimated for his needs.

Q. How are you going to keep track of that money—of what he may earn while he is not receiving work relief from your set-up?

A. Well, our case record system and visitation by weeks, the case workers who will call on the families once or twice a week. We are working out a system whereby a specific case load will be used for a specific week, so many workers will be on a job this week and so many will go on next week and so on, but by the case worker going to the various homes and getting this information once or twice a week, there will be no opportunity to slip through and get more relief than should come to them.

Q. Now, isn't it a fact that by reason of the present N.R.A. wage scale, and that requires the payment of the wage as set fourth by you, that a lot of, and the requirements as mentioned by you for those families, is it not a fact that they will work two days a week and get enough to run them for the entire week, and that they would prefer to do that than to work for a smaller scale of wages for longer duration during the week.

A. I do not know. I had not thought of that.

Q. Well, what was the average income per week of the average Mexican or negro, before this relief program was put into effect.

A. I do not know. We are not paying the wage—we say what his needs will be.

Q. It does not make any difference whether it is white, Mexican or colored—it is being paid out?

A. Yes, he is being paid the minimum.

Q. Don't you think that the establishment of this minimum of 30 cents per hour, and eight hours per day has had the effect of keeping a great many people on your relief rolls that would not be there otherwise?

A. Well, it has not in San Antonio. Because we have not had the work relief program in effect there in San Antonio long enough to take that into consideration and give you any statistics on that.

Q. You do not know whether it has done that or not?

A. No, sir.

Q. What has been your work relief program—what do you call your work relief program?

A. On the work relief rolls we have those families—are those families in which there is a member of the family able to work, we will take that one member, or maybe two members from that family and let them do work relief to the extent of the relief needs determined.

Q. Have you got any record system of the kind of work to be done, and how much work each of those who are on your work relief program are doing?

A. We have a work department, where we send a man to work out his work relief. What the plan is, I do not know. They have a certain program, such as the woodyard and gardens where these men go to perform their work relief.

Q. Heretofore, you have had no definite task for them to do, have you?

A. Yes, San Antonio has had some good public works programs or projects.

Senator Martin: You say that your disbursing orders, that those are made in duplicate?

A. They are issued in triplicate.

Q. What do you do with them?

A. The original goes to the beneficiary, which he takes to the merchant. This should be signed by the beneficiary and also by the merchant, so as to have a check on what he receives, and after the goods are issued to the subject, the merchant at the end of the month will send that in to our accounting department and it is there checked to see that the relief subject has received the goods that have been issued to him. The second copy, I believe is yellow, that goes to the auditor, which he uses to check against the merchant's statement at the end of the month to see that the beneficiary has received what he was supposed to have received, and the triplicate goes into our own case record files so that we can refer to it at any time.

Q. In other words, you issue a white original, a yellow copy and a pink copy?

A. Yes, sir.

Q. And that is done in every instance?

A. Yes, sir.

Q. I will ask you to take that

instrument there and explain that; what does that mean?

A. That means that on the 25th of September an order was issued to a man by the name of Sharkey at a certain address.

Q. What is the address given?

A. 520 Maverick, on commissary No. 2, two weeks supply issued for a family of nine.

Q. The amount is what?

A. \$6.83.

Q. Did that issue come from your department?

A. Issued by W. E. White.

Q. Is W. E. White in your department?

A. That isn't—we have had so many so called ticket writers turned over to my department without my instructions that I cannot tell you.

Q. He works in your department?

A. I expect probably he does but he has not been authorized by me.

Q. What is that ticket?

A. C. D. Sharkey, 520 Maverick.

Q. Dated 9-23-32?

A. Yes, sir.

Q. Look at this.

A. This is another order issued by Mr. Basoco to the same address, C. D. Sharkey, 520 Maverick, \$9.14.

Q. On the same date?

A. On the same date.

Q. You are in charge of this distribution department?

A. Yes, sir.

Q. You went down there to organize it yourself and you have the right to say who shall have the right to write these orders?

A. I haven't been allowed to so far; I have been told to take the people who were put on my payroll whether I O. K. them or not.

Q. They don't all stay in the office and write orders, do they?

A. They don't all stay in the office; they all write orders.

Q. Do you mean to say he takes the order book and goes out over town and writes orders?

A. They take them into the home. The workers call at the home to verify whether the family actually exists and live at that particular address.

Q. You are the one who directs that?

A. Yes, sir, I am the one trying to organize it.

Q. You are the one who directs

those people to take those books and go out in the homes with them?

A. Yes, sir.

Q. How are you going to tell if someone goes out in the home and writes an order for groceries at the home and another calls at the office and gets the same kind of an order; how are you going to keep that down?

A. That is the thing I have been trying to struggle with all the month. We have several thousand people on the relief rolls and have not been able to relieve all the people without some difficulty of this kind. On the other hand there has been so much pressure brought on us that if a family comes in the office and tells a pitiful enough story, we will run the risk. I think there have been people taking advantage of that. The Bexar County committee crowd and it alone issue orders to take care of these emergencies and take orders both in the home and office.

Q. This organization was put in there to meet the condition and try to outline ways and means to do so?

A. That is what we wanted to discuss this evening.

Q. Then that organization does have something to say about it?

A. It is the policy framed by the board.

Q. When you answered Senator Small's question if certain conditions prevailed that the Governor would be the whole machine you did not mean to admit that condition did prevail, did you?

A. I was trying hard to answer that by saying that I did not know.

Q. You answered the hypothetical question without the hypothesis having been established there, did you not?

A. Yes, sir. I advised that the Bexar County board was the policy making board.

Q. I will ask you to examine these two slips. Explain them, please.

A. These are two disbursing orders issued in exactly the same way, to J. M. Kelley for \$8.38 and \$9.48. That is another proof that we have got to get the organization going without all of the difficulties being put in my way to get it organized.

Q. You say all of the difficulties

that have been placed in your way; does the passing of people over to your department cause difficulties, sending people over there to work?

A. That is one of the things and having a staff that is not adequate is another, and having constant pressure and requests and resolutions and things of that kind. We must give relief under the conditions rather than run the risk of the families going hungry while we are making the investigation. If they would come to me—there is a definite effort to try to keep them from coming to me, I believe—I check up immediately about the family and let them know if they are trying to beat us, they will receive no more relief until they have had time to use up this amount of relief.

Q. I notice each slip has on it a case number. When you take a family into your rolls, do you give it a number?

A. Identification number.

Q. You direct these people to go out; do you tell them or not tell them what particular cases to investigate?

A. We are trying to keep that kind of a record.

Q. Well, you are in charge of that department, aren't you? What is to hinder you?

A. The chief thing is to get the rules we will use for carrying these things out and carry them into effect.

Q. I can't see where that would interfere with the rules, when you send these case workers out to give them a certain number of cases by number to investigate; do you do that?

A. Yes, sir; I don't do that myself; there are nine offices.

Q. That is under the same department of which you are the supervisor; that is your department, you say?

A. That is what we are working toward.

Q. How can you explain that these things happen that way?

A. Families will come in to us at four o'clock and say nobody came out there and they have seven or eight or nine crying children and we will run the risk that possibly the worker had such a heavy case load that was one family they didn't get out to see and will issue an

order trying to keep the children from being starved to death.

Q. Don't your case worker have to report back at a certain hour?

A. No.

Q. You wouldn't allow them to go out and report back the next day, would you?

A. Very often they work until five and six o'clock at night and are willing to do that and report back the next morning.

Q. Couldn't they phone what cases they have investigated, what they had done, so you could find out if they couldn't get to some of them?

A. I admit—we will get that straightened out. It is pretty hard with sixteen thousand cases without case workers and without records to be a hundred per cent efficient, in a month's time.

Q. You have been there two months.

A. We started this procedure only this month.

Q. You cut them all off one time wouldn't feed anybody, didn't you?

A. Not that I recall.

Q. If you had done it you would recall it, wouldn't you?

A. They cut the work relief cases off but we never have cut off direct relief.

Q. You say then that you did not cut them off and the people above you did not come and tell you you had to feed these people, that never did happen? You cut off everybody there, refused to feed them and the people, above you came in and demanded that you must feed them; that did not happen?

A. No, sir.

Q. Didn't that happen and isn't that the cause of the break between you and the heads of the other departments?

A. Never happened to my knowledge.

Q. If it had happened you would know it?

A. Yes, sir.

Q. You are the chief of your department?

A. Yes, sir.

Q. Nobody has any authority over you there?

A. Yes, sir. I am the director of giving relief; I am not the director of hiring and firing my staff.

Q. If that happened you wouldn't blame your staff?

A. No, sir, that is me.

Q. You say now to your knowledge it did not happen?

A. Yes, sir.

Q. Will you say it did not happen?

A. I say it did not happen.

Senator Woodward: Miss Kolling, Mrs. C. K. Callaway is the superintendent of the welfare department?

A. Supervisor, yes, sir.

Q. You are the special welfare consultant?

A. Yes, sir.

Q. What is the difference between your work and her work, just shortly.

A. I am down there primarily to organize this whole relief department and she is—she supervises all the case work we are doing.

Q. Her salary is 200.00 a month?

A. I am told it was cut to \$150.00.

Q. What was your salary in August?

A. \$250.00.

Q. Has it been cut?

A. No, sir.

Q. As the special welfare consultant and in line with your duties down there as you understand them, should you or not be acquainted with the welfare department?

A. Yes, sir, I should.

Q. The welfare and case workers?

A. Yes, sir.

Q. During August how many welfare and case workers who are on a monthly salary were in your department?

A. I have that whole list; I can't tell you right off, but it would not be more than—you mean just the home visitors?

Q. I am taking about the welfare and case workers.

A. Probably eighty.

Q. That was during August?

A. Yes.

Q. Well, I have a list of them here as compiled and shown in the record for August. Who is S. D. Armstrong?

A. He is on the staff end as disbursing auditor now.

Q. He is listed as a case worker. Who is S. M. Hendrix?

A. One of the secretaries.

Q. She is listed as a welfare and case worker.

A. I didn't make out that list; she is a secretary.

Q. Mary McMahon?

A. Yes, she is one of the workers.

Q. Then if these people I have named are not welfare and case workers they occupy some other position than is shown here?

A. Yes, sir.

Q. Did you say that work relief was dispensed with in August?

A. Over the entire State but in no other. It wasn't in August, it was in September.

Q. Was it all of September? All of September up until now, from the first of September on?

A. From the first? The 15th of September the letter came through, if they had approved projects they could submit them to Washington and have those particular projects approved.

Q. During September has there been any character of work being done?

A. We maintained certain types of work relief we had, the Red Cross Sewing room so that we could clothe the children, shoe repairing, in the garden and for the time retained a group of workers in the wood lot.

Q. What would be the duties of the general manager in the work routing department?

A. The worker in my department establishes the amount of relief a family shall receive over a certain period, whether it be three dollars or more; then the work routing department assigns that man to a job on one of the public works.

Q. Are his duties clerical?

A. I imagine there would be some work in connection with keeping track of the projects; if a project took exactly eight men, so he wouldn't be sending several hundred; beyond that I don't see that it would be more than that.

Q. On September 15th they didn't have that kind of work, did they?

A. We shouldn't have had more than those few groups, the garden group, wood lot group, the watchman group—we had that for a while—laundry group and Red Cross clothing group, were the only work relief projects we had a right to carry on and I believe they were approved.

Q. During that period how many people were necessary to carry on

that work, direct it and carry it on?

A. We should not have had more than two or three; I think one man could have done it.

Q. Did they need a general manager drawing \$200.00 a month?

A. I wouldn't think so.

Q. An assistant manager at \$100.00 a month?

A. Not for the work-routing department.

Q. Chief clerk for the work-routing department at \$95.00 a month?

A. I wouldn't think so.

Q. A secretary at \$80.00 a month?

A. I don't know what the secretary would do.

Q. Would you need those?

A. I wouldn't.

Q. Field man, work-routing department, at \$80.00?

A. There would be a question about that.

Q. Another field man at \$80.00?

A. I don't know why they should have two.

Q. Did they need a chief routing clerk at \$70.00?

A. No, sir.

Q. Three clerks at \$64.13 apiece; would you need those?

A. I don't see why you would need them.

Q. That would be a little bit top-heavy, wouldn't it?

A. I would think.

Q. Especially when there wasn't much of that work going on?

A. I should think it would be staff enough to carry on our whole work relief load when it was going full tilt.

Q. You come from where?

A. I had a brief job in Dallas; I came here from Mississippi.

Q. You have been doing similar work there?

A. Yes, the organizations were very much similar where we organized county groups principally, just a few city groups.

Q. How much does it take on an average to feed an average family during a month?

A. That depends on the size of the family.

Q. For the average family, say four and a half or five persons?

A. Four and a half persons—we have established a budget of relief needs that will satisfy the require-

ments for adequate growth and disease prevention and that amount varies from family to family.

Q. I know that, but what would it average?

A. I don't remember just what that average is.

Q. Ten dollars?

A. Around ten to twelve dollars, as I recall.

Q. You can't feed the average family for \$2.10 a month?

A. No, sir.

Q. Do you have any idea how many people are on the relief rolls of Bexar County?

A. How many people are on the relief rolls of Bexar County?

Q. Yes.

A. I believe I stated at the beginning of this interview, as of the 15th of September I requested a case count of the active cases in the city at that time and by case count—I do not have those figures but as I recall we had around eight thousand active cases; then I estimated that we would have something less than half that number that didn't apply the first half between the 15th and first of October.

Q. About eleven thousand altogether. What would it take in dollars and cents to feed this number per month?

A. You mean without administration?

Q. Yes.

A. That is not including the transient group.

Q. I don't want the transient group, just those in Bexar County.

A. I would estimate around \$110,000.00, not including administration or the transient group.

Q. What is the transient cost?

A. That has been an expensive proposition and it is going to be cut down in October I would estimate probably ten or fifteen thousand dollars.

Q. What should in your opinion the administration of all the plant of Bexar County cost, what is your judgment?

A. Well I would estimate between \$150,000.00 and \$160,000.00 including administration would be very generous.

Q. What should the administration cost in the month?

A. I would say it should cost around \$8,000.00; I should think that would be generous.

Q. Do you think the number of relief subjects will increase or decrease next month?

A. It will decrease as we get the welfare program going and it will decrease as the public work projects open up and I am told they are opening up.

Q. In your judgment the number of those subjects will decrease?

A. I believe so. The number for September will be less than the number for August, taking the number for August from a case count as I am doing for for September.

Colonel Westbrook: Miss Kolling, when you got down to Bexar County you found the relief down there being administered by Mr. Wendler and Mr. Arnold and Mr. Bishop, did you not, Mr. Alsbury having just taken charge?

A. Mr. Alsbury had just taken charge.

Q. Now will you tell the committee whether or not an effort has been made by Mr. Alsbury and Mr. Arnold and Mr. Wendler and his assistants to continue to operate the Bexar County organization in the same way it was being operated when you came down there?

A. Continued effort.

Q. They tried to operate it just as it was?

A. Until the last couple of weeks when we have had special pressure brought on us from you; made every effort to operate it the same way.

Q. Your instructions from this office have been according to the Federal rules and regulations and Mr. Alsbury offered to render you every assistance?

A. Yes, sir.

Q. If all those instructions had been carried out do you think you would have had all this trouble?

A. No, sir.

Q. A while ago you testified that these local committees were advisory committees and they established policies?

A. Yes, sir.

Q. By that you mean they have full power over everything not in contravention of State and Federal requirements?

A. That is what I mean, the policies they establish must be measured by State and Federal rules.

Q. And Mr. Alsbury, as you understand, must be employed with

the consent of that board; is that correct?

A. That is what I understand.

Q. The State has nothing to do with the employment of the people under Mr. Alsbury, does it?

A. No, sir.

Q. You testified a few minutes ago about the State set-up; you said you understood that the city board had nothing to do with the State Director, is that what you testified?

A. I did not mean that to be testimony and should have said nothing; I tried to point out that I did not actually know.

Q. Aren't you familiar with the Federal rules and regulations?

A. Yes, sir, I am.

Q. Don't you know that the State Director gets his instructions from the Federal Emergency Relief Administrator?

A. Yes, sir.

Q. And that he is compelled to carry out those instructions?

A. Absolutely.

(Witness excused.)

Thereupon W. W. Cox was sworn as a witness to tell the truth, the whole truth, and nothing but the truth, and testified as follows:

Colonel Westbrook: Mr. Cox, please give the reporter your name and address.

A. W. W. Cox, Brady, McCulloch County, Texas.

Q. What are you doing up in Brady now, Mr. Cox?

A. I have had charge of the relief fund there since last October.

Q. Are you administrator for McCulloch County?

A. Yes, sir.

Q. You were urged to take that job, were you not, Mr. Cox?

A. Yes, sir.

Q. You tried to resign two or three times since you have had it, haven't you?

A. Yes, sir.

Q. You are not really a job hunter?

A. I don't think so.

Q. Now, Mr. Cox, what connection did you have with relief administration previous to the time you became Relief Administrator?

A. Why, I became Relief Administrator under the Sterling administration, previous to that I was Chairman of the Relief Committee for McCulloch County.

Q. During the time that you were Chairman of the Relief Committee for McCulloch County you performed a good many of the same functions that you are performing now, as paid Administrator, did you not?

A. Yes, sir.

Q. I wish, in your own words, you would state to the Committee your impression of the manner in which relief is being administered now as compared with the administration under the old set-up. Just state that in your own words and say why you think it is better if it is better and why it is worse if you think it is worse. Just give them an honest fair comparative statement.

A. Under the old set-up, the way I understood the program, from November 21st, I believe that is when we received our first check, for some two or three months we were at a loss to know what to do.

Senator Stone: Mr. Chairman, I can't hear a word the witness is saying.

A. When I was made chairman of the committee—

Chairman Purl: Mr. Cox, if you would make an extra effort to speak out loud I will appreciate it. I will try to get some order so you can be heard. If you don't speak out loud enough I am going to have to interrupt you from time to time; so please speak out loud so the members can hear you.

A. When we received our first money for McCulloch County, I called the committee together, of which I was chairman, and we finally decided that the most economical way and the best way to handle the relief money, and the cheapest way was to turn it over to the city of Brady. When that system was decided upon, we called the city council together and brought before the city council the matter and discussed this phase for handling the relief money and the relief situation in Brady. I told the city council that there would be some work projects, that there probably would be some expense, and they finally agreed that they would take the responsibility in handling the Federal relief that the Government sent us, buy all the material that was necessary. The first project that was started on was to build what we call

the rock retaining wall, built a wall around the city, around the business district in order to handle the overflow from the creek. In 1930 we had a very disastrous flood there. We thought that the city functioned better than any other organization that we could get to handle this money, to take care of this money. They obligated themselves to buy the materials; they obligated themselves to take care of the foremen; they obligated themselves to furnish their city secretary and let him function as secretary for the relief organization.

Up to March 1st, we had spent in the neighborhood of between \$13,000 and \$14,000. \$9,221 of that money was Federal money. Up to that time, March 1st, the reports will show of the overhead expenses that we carried, the expense of the Government was \$13.50 and that \$13.50 was an item that was allowed when they had a district meeting at Brownwood on the 15th day, I think of April.

Now, then, from March, the overhead expense of handling that money from November 21st to the 1st of March, I don't know definitely just what that amount was, but I presume that it was in the neighborhood of what the actual overhead is at the present time. We had very little clerical work; we paid the men off with checks. Me and my wife did a great deal of the work, helped the city secretary, and we continued that all during the spring and summer. My wife is a retired school teacher and very capable in this respect; and I have been in business nearly all my life. We had some insight as to the details of the work; consequently we took a great deal of the work off the city secretary. When we began the work project we built this wall; we finished that and went on to other projects, using a good deal of material, the city furnished the material. I sent to our Senator an approximately correct report on McCulloch County, how much money we had received, how many people we served during ten months. That is the sum and substance of what we did with the money in McCulloch County.

We got our first check November 21, 1932. Up to September 1st, I think we got \$25,953, approximately \$26,000.

Our records will show that during ten months we had an average of 225 heads of families on our rolls, in the neighborhood of about 220 or 225; and about 20 or 25 non-family boys in town who had widowed sisters and mothers. We had some relief in the county that was not included in that report, that is, a little rural relief.

In that report, you will find that we tried to comply with the rules and regulations that were sent from the department here in Austin with reference to how much money a family was supposed to live on and how much work he was supposed to get. With the money we had, of course we had to control the price we paid for the work; we put them on part time and paid \$1.00 a day wage.

After we built the rock wall, we built 1608 feet around the cemetery; then we went to Richards Park and spent \$1,080.

I am absolutely opposed to the dole. I believe you will notice in the report we made that we spent \$273 for direct relief. That was for people absolutely hungry and could not work. I will tell you where the bulk of that went. It went to people who came from the plains country, who were going to South Texas to pick cotton. The heaviest direct relief we had was during the month of August. Since the first week in September our direct relief was \$63.23. The second week in September our direct relief was about \$55.00 or \$60.00. The direct relief in the third week of September will be about \$30.00; the bulk of that was cotton sacks to get the people to pick cotton. Very few people in our town who are unable to do something, if you can find something for them to do. You can give them a few chickens and they can pick a little cotton, it is better than putting them on the dole system.

We handle this money just exactly like we would handle our own funds. We handled it efficiently there is no question about that.

Q. Your county is a rather typical rural county of Central West Texas, isn't it? What is the population?

A. 13,853.

Q. You are, of course, familiar with the manner in which relief was distributed before the present set-up.

went into effect, because you were chairman, are you not?

A. Yes, sir.

Q. And you are familiar with it now. I would like to have you say, for your county, which method of administration is the most efficient from the standpoint of the people who need the money getting it, getting the value of the work.

A. My opinion, Colonel, in answering in a general way all of these questions, I will tell you, in the system, we have had, we have handled, and I believe under any system, under any set-up that McCulloch County without any friction like we have always had there could handle most any system because I feel like that it is with the individuals of these political subdivisions and at the same time with the community interests. If we hadn't had a city council that would have cooperated with us as ours did with our overhead, we would have been up against it under the restrictions concerning overhead out of the Federal funds. I have studied the system, I think, very thoroughly and I think we have a very fine system, there is no question in my mind about that, that if the system is carried out like the Government intends for it to be carried out, all the money will be reported for something.

You take the disbursing orders. Now, once in awhile you will find a fellow who will be a little bit careless about keeping up his disbursing orders. Now, you take the system, there is a lot of technical work, but if you will take care of the system the system will take care of the community. As far as I am concerned, the system is a good one.

Q. Mr. Cox, you say you have almost no relief in McCulloch County because the people can find work in many places?

A. Yes, sir.

Q. How about the old people?

A. Up to the time I left home yesterday we registered 125, that was mostly old people. I presume others will register by the time cotton picking is out, it will be out in a week or so, that our registration, Colonel, will run in the neighborhood of what it did in July. Now, it increased in August over July. I think it will run nearly that.

Q. What do you think about November and December? Will your demand be greater?

A. We anticipate by November, Colonel, that we may have some public work started in our county. We are figuring on some road work and parks. They have appointed me up there representative of the Labor Bureau of the Federal Department and I am registering all residents for labor.

Q. That is a part of this set-up?

A. It is a part of this set-up. We will classify those who are able to work on public work. We intend when the public works begin to increase our relief, accordingly.

Q. How about the cost of groceries you give those people? How much higher are they now than last spring?

A. I am not very familiar with that. I suppose they are 20% or 30% higher. I know we relief fellows pay more for them than anybody else.

Q. You spoke of the county judge and the mayor. Have you discussed the present set-up with them?

A. I don't know whether I have discussed the present set-up with the county judge and the mayor or not. They had very little to do with that.

Q. Have you discussed the matter of having the commissioners' court administer these funds?

A. No.

Q. You don't know whether that would be satisfactory or not?

A. No.

Colonel Westbrook: I haven't anything further.

Senator Woodward: Mr. Chairman.

Chairman Purl: Senator Woodward.

Senator Woodward: Mr. Cox, the city of Brady where you live is rather exceptional by reason of the fact that all this work that you have done up there the public generally has cooperated?

A. Yes, sir; sure has.

Q. Now, you sent me a copy of your report?

A. Yes, sir.

Q. I presume you received my letter in which I congratulated you?

A. Yes, sir, I certainly did.

Senator Woodward: Now, Mr. Chairman, in connection with the testimony of Mr. Cox, he lives in my

district, I would like to have permission to introduce as a part of this record a letter he wrote to me and the report he made. I will ask that that be incorporated in the record, the letter that I wrote him congratulating him on the work they have done and his report.

Chairman Purl: You offer that for the record?

Senator Woodward: I offer that in connection with Mr. Cox's testimony.

I want to say of all the reports I have received from my district I think Mr. Cox's report of the city of Brady and McCulloch County is among the best, among the best I have received from all over Texas.

Chairman Purl: If there is no objection, it will go into the record. (No objection interposed.) So ordered.

The following letter and report were then incorporated in the record as follows:

"Brady, Texas,
"Sept. 8, 1933.

"Senator Walter C. Woodward,
"Austin, Texas.

"Dear Senator:

"I had noticed from the press that the Governor calls for a special session of the Legislature Thursday, Sept. 14th, and there is no doubt you will be very instrumental as a member of the Senate in shaping some plan of taking care of the relief for the next few months, at the same time advising means, rules, and regulations as to how the States' money will be spent.

"As county administrator of Mc-

Culloch County since Aug. 1st, and as chairman of the relief committee the past ten months, I have gained some experience in dealing with this situation both in handling direct relief and work relief. The direct relief is intended for those who cannot take care of themselves and who are unable to do manual labor. The work relief was intended for men who were physically unable to do manual if a job could be produced for them. I have all the time held to the position that the Dole System was the improper system to use in this locality. Therefore, when I was appointed, chairman of this relief money I set forth plans to find employment for the unemployed that were needy in our community. To date or to Sept, 1st, when the relief funds were withdrawn for a re-arrangement of the affairs of State I had been very fortunate in finding employment for those that were on our rolls needing relief.

"On page 2, I am submitting for your observation the various projects that we completed with the Federal money that we received. The needy families that were cared for and the equal distribution of this funds and work, as administrator for McCulloch County, I thought it might be of some service to you in deriving on work projects that might be handled through the spending of these \$20,000,000 that the Legislature is called upon to handle.

"I am yours respectfully,

"W. W. Cox,

"County Administrator, McCulloch County.

"Below I will give you a summary of a statement that was taken from our records on the various projects that the relief labor was used on.

Project No. 1.

I built a levee wall protecting 3,600 feet of our business district at a cost of—	Relief Money	Materials
Labor	\$12,710.00	
Materials paid for by city		\$7,099.00

Project No. 2.

The next project was Richards Park which was donated to the people of McCulloch County by Mr. and Mrs. F. M. Richards.

Relief labor	8,340.00	
Materials furnished by city		700.00

Project No. 3.

Our third work project that our attention will call to was the building of a rock wall 1,608 feet long,

4 fet high, 16 inches thick enclosing our cemetery at a cost—		
Relief labor	2,826.00	
Materials furnished by county and city		700.00

Project No. 4.

Our fourth project for the public benefit was spreading caliche making on all weather street on fifty-four blocks in our city. Cost—

Relief labor	1,124.00	
Materials furnished by city		560.00
Total	\$25,000.00	\$9,059.00

In addition to this in the latter part of the winter when the relief burdens were the heaviest and when our allotments were too small to care for the needy, the City of Brady took care of \$2500 of the relief labor.

In examining my records I find that the following is approximately correct as to how the relief labor was

handled. The program lasted	10 months
During that time we performed	20,102 work days
Our rolls show on an average we had	226 families
The average work performed by each family for the ten months was	89 days
That gave them per month	8 and 9/10 days
The amount of work relief money per family	\$11.65 per month
Was	2.91 per week
The average amount paid per day was	1.24 per day
The total amount received was	\$25,953.50
Administration expense	679.65
Direct relief	273.15"

Senator Stone: Mr. Chairman, I would like to ask a question.

Chairman Purl: The Senator from Washington.

Senator Stone: Mr. Cox, under the present regulations you have to pay your work relief subjects at the rate of 30c an hour, do you not?

A. Yes, sir.

Q. You also have to comply with the N. R. A. rule with reference to the pay of your employees?

A. Yes, sir.

Q. That has resulted in a material increase in the cost of administration, has it not?

A. Up to the 1st of September the only clerical help we had in connection with the work was a part time city secretary which we paid only \$25.00 a month for working up until September 1st. The work up until September 1st was, you might say, gratuitous by me and my wife. We didn't need anybody else. On about September 10th we employed Mr. A. B. Regan; since that time I am paying him 30c an hour and he puts in eight hours a day. That is the only help I have employed.

Q. Mr. Cox, prior to this ruling you paid your work relief about \$1.00 a day, did you not on those work projects?

A. \$1.00 to \$1.50; we paid them on a basis of about \$1.00 a day until about the 15th of June. When groceries commenced to advance we raised the pay a little. We had 28 or 29 stone masons when we were building this rock wall and we felt that they were entitled to more and we paid them \$1.75 and common labor \$1.25. We kept that on, I imagine, perhaps a month, then when we got the Government regulations we paid 30c an hour.

Q. What, in your opinion, effect is this rule requiring 30c per hour for relief work going to have?

A. The effect of it was it raised the wage; we had other money than what we got; we disbursed a part of it. The fellow who had been getting \$1.00 a day, if he was to get \$2.40 a day, he worked a half day every day and we only let those fellows work, those fellows put in two and a half days out of a week. In other words, under the system we

were handling for awhile we could let a man work three days a week. He would make \$3.00 under the old system in three days, but under this system he might make \$2.40 in one day.

Q. Do you think it has any effect on other labor?

A. Not in our county. We haven't any other labor in our county. It might have some effect on cotton picking. Those fellows argued a little bit when I insisted that they go to the cotton patch. They said they could make more in one or two days at \$2.40 a day than picking cotton. I said "If you get it, but if you don't get it you will have to go out and pick cotton anyway."

This is my opinion. The Government probably had a right to do that, fix that basis of 30c an hour for labor which would be more or less an incentive to pay what they call a standard wage for the public works program when it starts. I think that was their view of it. I don't think it was what a fellow really was worth to the Government. It would have no effect in our county because there is no work for it to interfere with.

Q. Do you think in preparing this proposed bill we should adopt that same wage scale?

A. I don't believe I want to express my opinion about that. I will make an explanation right there.

Senator Stone: That is all. Thank you.

A. Now, we live up there in a little rural county. I don't think a man like me in a little rural county like McCulloch is qualified to pass on what should be a general bill for the State of Texas. I don't think I am qualified to answer that question at all.

Senator DeBerry: Mr. Chairman, I would like to ask a question if they are through.

Chairman Purl: The Senator from Bell has asked for recognition, I will recognize him first.

Senator Sanderford: Mr. Cox, with your knowledge of relief work as it has been carried on up there, do you think it will be wise to continue our present state and county organization under this system or to set up another system for distributing these funds through your commissioners' court?

A. I believe the present system it is a good system. I think it would be wise if the Legislature and the Senate would try to cooperate with the Government, and not double your office work in reference to handling relief. It is State relief and Federal relief; it should be handled with the same set-up; by handling it that way you can do it without very much overhead expense. Now, you take the Federal Government, I am going to handle their Labor Bureau program up there without any expense; they allowed me to put a girl in my office five days a week. As I said before, I am entirely against the Dole System. We have to give serious consideration to those people who are without work; there are thousands of unfortunate people in the State that ought not to be out of work but the general condition of the country has put them out of work. I think the Government's intentions are very worthy and that it should start some kind of a public works program. I think that the system we have is a very efficient system and on account of the attitude of our Government in reference to it, I would like to see the system kept on. You can put on all the restrictions you want to on this bond money; you can say where you think this money ought to be spent out there, building lateral roads and such as that, but at the same time I wouldn't want to change my system, it is too much lost motion.

Senator Sanderford: That is all.

Senator DeBerry: Mr. Chairman, I would like to ask a question.

Chairman Purl: Senator DeBerry.

Senator DeBerry: I understand you to say awhile ago that you were reluctant to answer a question by Senator Stone on account of coming from a small rural county. Personally, I wish you didn't feel that way about it, because I am from a small rural county, too, and I don't feel embarrassed down here.

Now, if Texas makes as much cotton as they say we are going to make—there are a lot of people in rural counties—don't you think they are in the majority in this State?

A. I imagine so.

Q. Now, about this \$2.40 a day proposition. If you have to give a man a job who has not got a job, you want to give him enough work

to sort of take care of his folks, don't you?

A. Sure.

Q. Well, take \$2.00 a week that would be \$8.00 a month. Say he worked two days a week at \$2.40 a day, that would be around \$20.00 a month, wouldn't it?

A. Yes, sir.

Q. Do you think it is fair to the other fellow who had to work for \$1.00 a day to have to work twenty days to get the same \$20.00 that this fellow is getting? Do you think that is fair to this fellow who has to do his best for \$1.00 a day?

A. I wouldn't care to answer that question for this reason. I think probably the cotton farmer in our county ought to pay more than 50c a hundred for picking cotton. It is all in the system, when you commence finding fault about this system we have got now you can find plenty of complaints. If a man works eight hours a day he ought to be compensated for it, he ought to have a decent living; it doesn't make any difference whether it costs \$10.00 or \$20.00 for the same work. I believe a man is entitled to enough to let him send his children to school, to clothe them decently and support them comfortably.

Q. Would you pay \$2.40 a day for farm labor?

A. No, I couldn't afford to.

Q. That is what I am talking about. You say one minute a man ought to be paid. If you were raising cotton, would you pay a man more than 50c a hundred to have it picked?

A. Probably I wouldn't if I could get it picked at 50c.

Q. Do you think you could make any money paying \$2.40 a day for common labor and more than 50c for cotton?

A. I don't know. The way the Government has set the wage scale at 30c an hour five days a week, whatever scale they set I think would be a sensible scale for the people to adopt.

Q. Do you think the Government is under any more responsibility to give a man a job at \$2.40 because he can't get a job, than it is to these fellows who are working for \$1.00 a day? Who is responsible for them?

A. I wouldn't know how to an-

swer that question. In fact, I don't care how much I am interrogated about it. I think our Government has put down what they think ought to be a standard wage throughout the country. Those are things I know nothing about.

Senator DeBerry: That is all.

Chairman Purl: Any further questions of this witness? If not, he will be excused. (No question interposed.)

(Witness excused.)

Senator Martin: Mr. Cline, in one of your statements made just before noon, you stated that you were getting fed up on this relief work?

A. I do not think that I said that I was getting fed up on relief work. I think my statement was that I was fed up with too much social welfare work.

Q. Do you believe that the social welfare worker is bad on relief?

A. Yes, sir.

Q. I believe that I must have misunderstood your statement—You did not mean to state that you were fed up on relief work, but on that particular kind of expert social worker?

A. Well, as evidence of whether I am fed up on this relief work, I am a member of my own commission, and am waging a campaign in my own town at this time for \$45,000 to serve the public and supplement the money we may get from the State and the Federal Government.

Q. Have you studied this case work method, where they go out and try to find some way to rehabilitate these people—have you studied anything about that kind of work?

A. Largely based on my experience as a layman, in handling some of that work and supervision over a period of years. As far as a detailed study of it, I have not.

Q. Well, are you in sympathy with that kind of work?

A. I am heartily in sympathy with trained welfare work and properly coordinated organized work.

Q. You recognize the fact then, that these case workers have more to do than just to go into a home and say howdy and know just what they need. They have to make a study of that particular case and try to rehabilitate them and get them to going again?

A. Yes, sir; where they do the job properly, that is quite true.

Q. Usually it takes a skilled person to be able to do that?

A. They should be specially trained if they are to get the results that are desired.

Q. What I believe that we are all interested in, and what I believe that you are interested in, in respect to the dispensing of these funds that have been appropriated by the Federal Government for this relief program, and what may be appropriated by this Legislature—that is the question which is now uppermost in our minds, and I will say that it is a large order, is to determine what is the best method of dispensing such funds as may be available, and with the least possible expenditure in the different counties of the State in administering that much needed relief to our people. Under the system that was used in getting this money to the needy, after it was made available through the Federal Government, that fund was handled through the various chambers of commerce in the State, and through the three regional chambers of commerce as the distributing agency through such agency as you selected in the various towns and counties of the State?

A. That is right.

Q. Those agencies were doing that at their own expense and not charging any thing out of the Federal funds for that purpose?

A. Very little was charged in administrative expense out of the Federal funds.

Q. Now, we will say, if the Chamber of Commerce in the city of Hillsboro received 20,000 dollars to be distributed in the city, and I will say that I think they did a good job with it, and I think your organization is to be complimented on your public spirited work, and the people of the city of Hillsboro had a man at the head of their Chamber of Commerce whom they were paying a salary, contributed by the people of that city, don't you think that the money that was paid to him as salary, or at least a part of that should be charged to administrative expense?

A. Surely.

Q. As a matter of fact, based on

your experience, do you know of any method that is in vogue today, or any means by which that fund, could have been handled without some administrative expense.

A. I would say certainly not, properly, without some administrative expense charged against it.

Q. Now the charge has come up with reference to the West Texas Chamber of Commerce charging these various counties, and the only thing that we are trying to do is to determine the cost of the administrative expense. The chambers of commerce in West Texas, realizing that they were going to have to be continually on the job and traveling over the country and conferring with the local chambers of commerce throughout that section of the country, they realized that they were going to have to have some money to take care of that expense?

A. Yes, sir; we have to have money to maintain our organization and to render the service to our members that we have done and wanted to do.

Q. And instead of taking the Federal funds and using a part of that to take care of this necessary expense, you called upon the counties throughout that part of the country to contribute a certain per cent as members of your organization that you might have available that fund?

A. You are not quite correct in the way you state your question. The question never was put to any contributing member, or to any political subdivision of the State, that the administrative work of the relief funds was the sole reason that they were to contribute to the support of the West Texas Chamber of Commerce; that appeal to those members, the contributing members, was made to them based on the chamber's past achievements, of the fight that we had waged for the people of West Texas; we had devoted a considerable amount of our time and expended quite a lot of the money that had been raised for that purpose, in the interests of the people of that section, and these accomplishments and achievements were simply called to the attention of the contributing members as an argument for or reason why they should con-

tinue their support of the West Texas Chamber of Commerce.

Q. And as a matter of fact, what you had done in the interest of West Texas, and the fact that you had been able, because of your splendid organization, to get them certain relief funds from the Federal Government, you naturally gave that as one of the reasons why they should continue their support of your organization, and why you called on them to support the West Texas Chamber of Commerce by taking out memberships in your organization?

A. That is true.

Q. Do you know S. P. Rosson of Hereford?

A. I am not sure that I do.

Q. Mr. Cline, you have had considerable experience in appearing before congregations of people, and as spokesman for different organizations and by your persuasive and pleasing manner and flow of force and facts, have raised money for the projects you desired to put over and which you were fostering?

A. I have gotten a lot of goat feathers.

Q. In fact you were quite skilled and adept at that?

A. I would not class myself as an expert, but I have had a bit of experience.

Q. I am not criticising that. I am trying to bring out the manner and means and principle of distribution here. A man who is in the habit of appearing before an organization of that kind, who has his ideas well in hand, is more than apt to get what he is after?

A. Provided he is right, and the proposition has merit, that is usually true.

Q. You appeared before the State organization with reference to getting for your part of the State its part of the Federal money that was appropriated?

A. There was no organization. We presented our claims from the various political subdivisions of West Texas and got results.

Q. Can you tell me why it was that the West Texas Chamber of Commerce, or West Texas, got 52 per cent of the total allotment made to the State of Texas for last Fall?

A. The 134 counties in West Texas.

Q. I notice that you wrote to

Mr. Rosson under date of December 10, 1932, the following statement:

"You doubtless have noted that West Texas has fared well in the allocation made to the State for this relief fund, having secured fifty-two per cent of the total amount"?

A. I do not know the date of that letter—That is the letter dated December 10, 1932. That statement was made because we had tried to serve the people there and had through our organization spent quite a lot of money taking care of the different sections of West Texas in getting this fund for them.

Q. In other words, because of your organization and the effectiveness of your work, you had got for the people of your section of the State the bulk of the money that had been allotted to the entire State, and because of it you were inclined to tell them about it and use that as an argument to have your organization supported?

A. For the reason that because of what we had done, in serving the people in getting the relief—we had prepared the applications and were in position to meet the requirements of the Government when the time came for the allotment.

Q. Now, I want to call your attention to something else. "Having taken into consideration the population of your community, your past affiliations standing, and the benefits received as a result of our program, we have fixed a quota for your city in our 1933 financial program at \$180.00." I believe that you said that you thought that they had been well served and that you felt that your organization had done effective work for them?

A. Yes, sir.

Q. And then you went on further to state in that letter "For your information, the total of the quotas for all West Texas towns contemplates subscriptions, excluding Fort Worth, of \$45,000. You doubtless know that our Fort Worth Director, Amos G. Carter, has in former years agreed to match every \$3.00 raised in the rest of our territory with \$1.00 from Fort Worth"?

A. Yes, sir.

Q. Now here is what I want to get at—this is the point I am trying to make "Feeling that you will accept this quota as both fair and modest and reminding you that it

is only 33% of the amount of money your community has received through our organization from the Federal relief funds for two months" and I am sure that that 33 per cent should have been 3.3 per cent, "and also reminding you that the estimated reduction in public expenditures in West Texas has been reduced some twenty to twenty-five million dollars as a result of our active interest, I am confidently expecting you to perfect a prompt organization and report ready to accept your quota."

Q. Do you think that was a pretty effective way of getting them to make a contribution to your organization?

A. That, together with the fact that we had reduced the public expenditures around twenty-five million dollars in that section of the country, and had done that through the efforts of our organization.

Q. Now then, if there was considerable expense in the work that you did in getting that money for the people of West Texas, as was indicated in your letter to that gentleman, do you think that it is fair for the rest of the State to bear the burden of carrying for that portion of the State, or should not that expense be borne by the State or Federal Government, and that money allocated throughout the State according to the needs existing?

A. That is purely a matter of policy. The thing about that was that when we were called on to make up our applications throughout West Texas, we immediately got busy through our organization, and prepared all the necessary data requested by the Government and were ready to accept the allotment when it was offered. That may have been an administrative cost, but it was an expense that was not charged to the relief fund.

Q. You do not think that you get an efficient distribution of those funds without some administrative cost in the handling of them?

A. No, sir. I do not know of any board or any group that can handle that fund without some administrative expense, if it is handled efficiently and effectively.

Q. And the best method of handling that, what would be your opinion of that?

A. That, I would say, is a matter for you gentlemen to determine.

Q. Now Mr. Cline, when this condition of the need for relief first came on the people here, you felt that it would last only a few months, you held that opinion along with many others?

A. Yes, sir.

Q. And there was no idea in the minds of the people of the country that this was going to have the duration that it has and go along for such an extended period. But since it has reached the stage that it has, and it looks now like it was going to extend over a long period of time, it has become evident that it will be necessary to have set up some kind of permanent organization to properly handle the distribution of these funds, to handle this relief work. Now, what I am trying to get at is do you think that it is better to go back to the old system and incur the expense that will be necessary to incur to go back to the old system, or rather go on with the present system that has been set up, that we already have here, or set up an entirely new system, with the expense that is naturally incident to it?

A. I do not think that you will be able to handle the distribution of this relief without some administrative expense. You are going to have to have that regardless of the method or the agency you may use; certainly, as President of the West Texas Chamber of Commerce I am not seeking it; we do not want it. I do not mean to say that if we were requested or asked to take it and handle it, that we would refuse, because if we were requested to do that, we would feel that as a public spirited organization we could not refuse to do it. But there would naturally be some administrative cost in connection with the handling of that. So far as making a charge for administration, is concerned, I do not think that there should be any criticism of the State organization, because it is going to be necessary to have a county organization to handle the funds locally. I think that to do otherwise would be unsound economically and there could not be an intelligent handling of the funds without a proper organization to handle them. If you are going

to make a distribution of these funds and do it equitably, it is going to be necessary to handle it through some properly set up and directed organization. As in case of family relief, you are going to have to make certain investigations to determine just what amount of relief may be necessary to take care of them, and this is going to be quite a problem in the rural communities, especially.

Q. Now, we have already in this State set up a central organization?

A. I am familiar with that?

Q. Do you have any particular objection to it—the way it is handled in this State?

A. I say that I would object to the excessive administrative cost as reflected by the testimony here, if that is correct.

Q. You have that in Wichita Falls but you understand not every community in the State have it.

A. I would say the most of the larger communities have that or a similar set-up.

Q. And those people you have there taking care of these different organizations you now have, they are all busy?

A. Yes, sir.

Q. There are no wasted funds or time through these organizations, are there?

A. No.

Q. Then if the State is going in there and setting up another organization doing an entirely different class of work we are going to have duplication?

A. The trouble is we are inviting duplication and having wastage in time and money bringing in a new group of social workers. Whether you know it or not these people take pride in achievement and they go out and look up cases. It is astonishing the jealousy which exists in these welfare organizations. It sets up more competition in the relief business.

Q. The organizations which are already set up do they expect to continue to function?

A. Yes, we are going to keep them on.

Q. Don't you think they would be more inclined to be jealous than some organization which dies a natural death by statute in two years?

A. I don't think it will die within

two years; if you follow out the program you have in mind you can't stop it to save your life in two years.

A. I hope it does, dies. Another factor, this organization we now have is approved by the Federal Government; it functions all right to suit the Federal Government. If we start some other means if it don't suit them there is nothing for it to do except to operate without the State or come in here and operate as a separate institution. If they start out to do that and set up a separate organization, that would be a duplication of expense. Why are you laughing?

A. I am laughing because I do not agree that any agency which the Legislature of Texas sees fit to put their money in will fail to gain the approval of the Federal Government. I think it is quite an easy thing to get the approval of another set-up if you save money by it. I would have no fear of the Federal Government's approval, regardless of Mr. Williams' testimony.

Q. And it will be necessary to lose three or four months?

A. I don't think it is necessary at all to lose three or four months.

Q. This Federal regulation about paying work relief thirty cents an hour, what do you think the effect will be in your territory?

A. Both in my territory and the territory I have had reports from it has worked a distinct hardship on agricultural, livestock and minor industrial interests, who just can't pay \$2.40 for an eight hour day and only have a shirt tail full of business. Pay \$2.40 a day and eat sweet potatoes, corn bread and clabber; I don't believe it can be done on any farm that I have any knowledge of and make it pay a fellow's board.

Q. How should we correct what shall be paid for work relief?

A. I think in that you will immediately run afoul of the Government. If there is anything they put emphasis on it is that. I am one of the nine members of the State National Recovery Act Board. The past few weeks we have been making the codes and have no knowledge of them whatever. However, I think I am about even with those fellows in Washington. Whenever the question of wages comes in you just lose any labor you put out on all the

interpretations we have had so far.

Q. Do you think we should put the minimum amount we should give per month per family?

A. I think in justice to Col. Westbrook that is already in his rulings. I am not familiar with any changes he and his staff have made, but think they were very definite and based on the number of dependents in the family and case load I don't think has changed much. The money they were paying out was as low as folks could live on. I don't think it has changed much.

Governor Witt: Mr. Cline, I understand there will be introduced a measure looking or undertaking to appropriate the proceeds of some of this bond issue, say five or six million dollars to the proposition of getting the people back on the farm, furnishing them land which they can till so as to make their own living. What do you think about that idea?

A. Well, Governor, I think it is a splendid and worth while experiment; I am quite frank to say a somewhat dangerous one, in which the public through their representatives in official positions would lose some money as far as the expense is concerned. It is a good investment, I don't argue against it; we must go on taking care of these people. I won't quarrel with any program you adopt. If you take some of the bond issue, say four or five or six million dollars and take Miss Rossen's colonization idea—

Q. Subsistence home? I don't altogether approve of the colonization project.

A. I think anybody with experience in relief work will agree that it is much more satisfactory and less expensive to do relief work where people are already located, not having to move them. I take it your plan would contemplate after careful and thorough investigation taking care of these people where they are and furnish them some chickens and a milk cow and a work horse and a Georgia stock and fertilizer and try to make them self-supporting. Even then you lose some money, you advance it as a loan?

Q. That is right.

A. I think it is worth a try. We are going through such a revolutionary change in everything else. I

don't know of anybody that has received more punishment than these folks and since we are taking a chance in other details it looks to me like it is worth the effort.

Q. Do you think we will lose permanently as much money in that experiment as we will in direct relief?

A. I do not think any of it is lost. I am a hobbyist on relief work. I think it is the only way to stabilize them and pull them through to higher ground when it is done economically and intelligently and it is absolutely essential at this time. Taking into consideration that you are saving a man his self-respect and leaving them with the will to do and giving them an opportunity to make their own living; then if you have to charge off a few dollars then I think in the balance sheet you are a big winner. You are putting your money into something that I think is a good bet.

Q. Do you think ever again there will be opportunities in the larger centers for people to find work along industrial and other lines that have found work in the past?

A. I do not. I think we are due for a change, where a fellow won't try to be rich in money and material things but in culture and refinement and be content to work and earn an honest living and we are going to change our theory of merit and success. That is my theory of it. I think you are going to have a different measure of success. Your experiment will put them where they can be self supporting and still have and maintain their self respect.

Senator DeBerry: The question as to whether this project that we are on right now will be temporary or permanent is a very serious question, isn't it?

A. It is to me, yes sir. I might be unduly alarmed about it but I think it is very serious.

Q. I don't think you are; I don't think you are at all unduly alarmed. Did you ever see as fertile a field as Texas, if they ever abolish the department, for many governmental and other agencies, where they just start out to give?

A. That is my objection to such an intensive social welfare work program. If you keep on giving money there is an unlimited field to spend money.

Q. Don't you think you could find a field to spend millions of dollars in educating and refining and developing the people?

A. Yes, you and I could organize a society and spend a few millions and do a lot of good with it.

Q. Don't you believe in the John Smith rule that if you don't work you can't eat?

A. It is not a fair rule, Senator, at the moment unless you give them relief work with this government money. There are lots of honest people who can't get a job.

Q. That is right. You and I are discussing a charitable relief program as some big roughneck comes to the back door and says, "Come and get it." Now the proposition of wages of \$2.40 as compared to the dollar a day man; don't you think there is a very high potential danger of creating dissatisfaction with the man who is trying to stick to the agricultural field and do hard work?

A. I do not think there is any doubt about that. Unfortunately I think that is a policy of the Federal Government. I don't think we could interest the administrators of the State relief with that; I don't think they have any objection to that.

Q. I congratulate you for publicly saying you don't think that is the right policy, because I am going to say that Mr. Roosevelt notwithstanding.

Colonel Westbrook: I was interested in your comment this morning on the decided trend of demand for relief in West Texas; also I want to say that I have enjoyed your testimony very much. As you know, your social views and mine agree on many points.

A. Yes, sir.

Q. You said this morning you rather believed that the need would not be as great in West Texas this winter as it was last winter and I just wondered if you had taken into consideration in as much as you did last year the existing situation in West Texas as of this date last year. We find in West Texas—I don't know what it was last year, but we do find today, particularly in the Panhandle counties, a very great need, and of course your experience in this type of work gives you the knowledge that as winter approaches and the seasonal employment in the gathering of

cotton declines, naturally the relief load goes up tremendously, and we are carrying in West Texas a very heavy load. I wondered in making that statement if you were not thinking of the trend a month ago rather than a year ago?

A. I thought I excepted in my area the drought stricken area in the Panhandle and the Sulphur Springs area in South Central Texas. I do not want my observation to go as a statement of the fact in view of the figures and facts which no doubt you have collected. I am perfectly willing to accept your statement and say I am wrong, if I am. I get reports that the cotton is coming in and bringing better prices and that conditions are a lot better. The N. R. A. campaign has had a decided effect, put more than seven hundred people to work in my city and increased our weekly payroll more than \$70,000.00 a week.

Q. I know you have a very good knowledge of conditions. I wondered if you took into consideration this factor, which troubled me a lot. We had a lot of unemployed last October who were not on the relief rolls and a good many of them have gotten on and there are still in your section of the State many thousands, probably a hundred thousand or more, heads of families who were unemployed last October and are still unemployed and their resources are playing out and what really alarms me is the number of these people, largely white collar people who are not coming in the public rolls and not coming in much on the N. R. A. They are coming on our relief rolls. I just wondered if you had thought about that large group of people who may come on our rolls?

A. I have not thought about that. I think you will agree that though that condition in a measure is true there is a middle ground between your figure and my statement. I think it is true a good many people are tired of just getting on. They have scraped about as long as they can. They are beginning to weaken and go over to the bread line. They are tired of holding their breath and fighting, and this N. R. A. and a little injection given through these other activities is the only hope I have of stopping this little drift. It seems to me it ought to do it.

Q. It will put a lag on it but it won't stop it. I want to get back to your experience as chairman of the Wichita County Board. When Governor Ferguson took this work over, she reappointed your entire board out there, didn't she?

A. That is correct.

Q. And they stayed in office until this law took effect?

A. That is correct.

Q. Governor Ferguson appointed you and you served four months?

A. I hope I have not criticized Governor Ferguson or Colonel Westbrook. I do differ with this administrative cost and I have explained here why it was. I received over her signature as kindly a letter as I have ever received for any public service. She very courteously requested us to continue to help her out.

Q. That was not the purpose of my question.

A. I took the opportunity of doing that because I wanted to do that; it is only fair.

Q. I wanted to get into the machinery that you used. You were chairman up until I believe about the first of August, weren't you?

A. I think so, colonel, I am not sure.

Q. You used the Community Chest?

A. Largely, yes.

Q. It was satisfactory to us and we told you it was, but I don't believe you know that the reason a method just set up was discontinued was because the Federal Government on August 1st discontinued the use of private agencies throughout the United States. That was not something we had control of.

A. I did not know that and I do not agree with the Government.

Q. I did not want to leave the impression it was our attitude and that same situation exists throughout the country. What do you think your administrative expense is?

A. Practically all our budget raised goes into expense. This is the smallest budget we have had in a number of years and we have chiseled our distributing agencies. We merely raised sixty or sixty-five thousand dollars, a large part of which goes into administrative overhead in payment of social workers.

Q. That will run somewhere

around seven, eight or nine per cent?

A. It will run more than that in our community chest; take the day nursery and the dining room in charge of our cooking department and the people who go out and get the bread and milk the people give.

Q. Seven, eight or nine per cent when using it as fuel for the operation of this organization, you have found is amounted to at least seven or eight or nine per cent.

A. I think that is true.

Q. That administrative cost of seven or eight or nine per cent within a political subdivision is not unreasonable, is it?

A. I think it is too high; I think the administrative expense should be kept within five and somewhere between three to five per cent.

Q. Within a political subdivision?

A. Yes, sir.

Q. There are some burdensome functions that have to be done

A. The job is getting bigger all the time.

Q. It is rather difficult to fix administrative expense; the ratio should be fixed upon the case load rather than the percentage by amount of dollars; don't you think by good administration that the case load can be kept down and the two conditions sort of work against one another there?

A. That is true.

Q. I was very much interested in what you had to say about the permanency of this thing. It is one of the things that frightens anybody that really knows much about it. We all know the experience that England has had and we know it has been bad; and we know there is a disposition in this country to handle these matters in the same manner they are handled in England. I want to ask you if you don't think our major effort should be toward re-employment for those who are employable and rehabilitation for those who have to be rehabilitated. We have to rehabilitate a lot of them, as you know.

A. I agree with that statement provided you don't spend too much money on it.

Q. By rehabilitation I didn't mean wet nursing them, I meant by some constructive plan along the lines the Government in Washington

is trying some of those who are intelligent and capable will be employed.

A. Might I suggest in line with what Governor Witt has suggested, where we are trying to serve them on public work applications, I think we will find this; quite a large number, particularly of the smaller communities and political subdivisions, counties and communities with smaller populations, are finding it very difficult to qualify under the restrictions of the Public Work Act and in order to conform with the law Col. Washburn and the Board at Fort Worth are going to have to turn down many communities where there is need for employment where we could keep people at home at work if there could be created a little emergency fund in order to help those communities whose financial statements show they are not entitled to the loan; under their present unpaid taxes and delinquent bonds they can't make a good picture. I am wondering if you gentlemen won't please think of this in setting aside this money, and I know I am talking about millions of dollars and dumping it off here. If there could be a nominal amount of a million or two dollars made available under some committee appointed by this Legislature; if, after investigation, you find that a community or county is wanting to build a sewer or water project, city hall or something in the line of public improvements, if you couldn't advance them about ten per cent of that on second lien. I know it isn't very good security but if you found that it would re-employ a group of people and leave them where they are for the time and give people employment at no more than ten per cent loss, isn't it worth thinking about?

Q. I think it is a good idea, however, I wanted to ask your opinion about this idea. You know the public works program provides that thirty per cent of the funds are direct grant and the rest is a loan. Don't you think if we could work out a lot of projects in which labor would be seventy per cent and could make applications in which we could state that we have got seventy per cent of these funds and a direct

grant of thirty per cent, we are ready to go?

A. I think it is a good idea, worth considering. You are going to help a lot of folks in public work. In your idea the help would depend largely on the amount to be spent for labor?

Q. That is it. You conducted what is called a "renovizing" campaign in Wichita Falls?

A. We got a lot of good, I imagine your records are like ours, it was pretty expensive; we spent three or four thousand dollars. We undertook to put on a house to house campaign and it proved to be a very expensive campaign, with advertisements in the newspapers and all, to get people to repair and repaint and do odd jobs to double up the relief. The total pledged was something over nine hundred thousand dollars. We didn't get it; there wasn't that much money there, but there was easily a hundred thousand dollars spent. On repair most of it goes into labor. Col. Westbrook went his full length in cooperating with us on it.

Q. Those things, they add to administrative expense even if the experiment doesn't always work.

A. Aid to make it expensive.

Senator Martin: We had a little documentary evidence. Rather than interfere with the witnesses tomorrow I would rather offer it this afternoon.

Chairman Purl: You want it put in at this time?

Senator Rawlings: We will waive the reading of it.

Senator Woodward: I mention again the fact that these files, these gentlemen from San Antonio are anxious to take the files back to San Antonio because they need them, if we don't need them here.

Chairman Purl: Are the Steering Committee ready to release the files?

Senator Rawlings: I am ready to release them if they have got us the information about the people on the payroll. I would like to have the information we requested.

Chairman Purl: Can the information be furnished here? Who is in charge of the files? (A man arose.) You are here as custodian of the files?

Mr. Wendler: No, sir.

Chairman Purl: Have you fur-

nished the information or got it available that was requested of you day before yesterday?

Mr. Wendler: The auditor got the information that they required.

Chairman Purl: That was what, Senator Rawlings?

Senator Rawlings: List of 700 employees while Wendler was on the stand. They were to furnish a list of names and amounts, were they furnished?

Senator Woodward: He gave the number of people on the permanent payroll for the month, the number of people on the payroll and what they drew, it doesn't give all their names. It gives the total number of people who worked during the entire month.

Chairman Purl: Suppose we leave the files here until the Senators are satisfied they have all the information.

Senator Rawlings: If Senator Woodward is satisfied with the information he received, I am satisfied.

Chairman Purl: The ruling is the files in San Antonio be released to the ones responsible for them in San Antonio. What is your job?

Mr. Wendler: Assistant administrator.

Chairman Purl: I am going to turn them over to the assistant administrator, you can have them.

Senator Martin: I have gone over their testimony with the witnesses from Johnson County and it seems like the difference between the testimony of these witnesses and the testimony given by Mr. Cline is so little it would be ridiculous almost to keep them over here. If it is agreeable with the committee, they may be excused.

Senator Woodward: I move that we recess until tomorrow morning at nine o'clock.

Whereupon the question was put and the motion prevailed. Thereupon the Committee of the Whole Senate recessed until 9:00 o'clock a. m., Saturday, September 30th, 1933.

Saturday, September 30, 1933.

The Committee of the Whole Senate met at 9:10 a. m., Saturday September 30, 1933, pursuant to adjournment, whereupon the following proceedings were had:

Chairman Purl: Will the committee please come to order. Although we are five minutes late getting started we have not over half a dozen Senators here and the Chair is going to ask unanimous consent to stand at ease ten minutes and attempt to call it again in ten minutes and see if we have a quorum. I am not disposed to have the hearing unless we have a quorum. If there is no objection we will stand at ease for ten minutes and see if we have a quorum.

At 9:40 a. m., a quorum being present, the following proceedings were had:

Chairman Purl: The committee will please come to order. The Chair received a communication from the county judge and city attorney of Dallas which he would like at this time to have read and placed in the record, if it is agreeable to the committee, at least he wants it read.

(The following letter was read by the secretary.)

"September 28, 1933.

Senator George Purl,
Austin, Texas.

Dear Sir:

The County Commissioners' Court of Dallas County and the City Council of Dallas have requested that we communicate with you with reference to the pending legislation concerning the management and control of the administration of relief funds.

It is the opinion of both of these bodies that it would be inadvisable to place the responsibility of management, control and supervision of the administration of funds derived from the sale of Texas Relief Bonds, as well as from the Federal Government, in either the city and/or county governing bodies. It is their opinion that the exclusive administration and management of such funds by a local governing body would give an undesired air of permanency to public relief operations on a large scale, and considerable difficulty would be encountered when the time arrived to discontinue such relief if handled through local governmental units. It is further exceedingly doubtful that a local governing body would be able to secure from all sources the co-operation essential for proper co-

ordination of all relief agencies, and without such co-ordination duplication and waste would result.

Past experience has shown that a local government administering relief can hardly avoid advancing its own funds in anticipation of relief funds expected from other sources. This necessarily places an added burden on local government finances that should not be borne at this time. Furthermore, when the relief work is handled directly by local governing bodies, unrest and dissension on the part of those aided is more apt to arise. We believe that experience has demonstrated that it is more desirable to center local relief work in an agency established wholly apart from local governments and apart from the usual relief agencies that function in ordinary times.

It, therefore, is the unanimous opinion of the governing bodies of Dallas County and city that an independent relief agency charged with the control and administration of such funds as may be available from State bonds and from the Federal Government should be created.

This position of the county government is distinguished from, and does not conflict with the suggestion discussed with several members of the Texas Legislature relative to the utilization by local government of current budget appropriations set up incident to public improvements (principally roads, etc.) in order that permanent utility may be realized from Texas Relief Bond Funds; the labor thus made available for work projects made possible by Texas Relief Bond appropriations could be efficiently and profitably used.

That portion of the appropriations from Texas Relief Bonds used in the above manner in providing work relief instead of direct relief should, of course, be disbursed by the county government making provision for same.

Hoping you may concur in the views entertained by us, we remain,

Very truly yours,

(Signed) ROBERT OGDON,
County Judge, Dallas County.

(Signed) HUGH S. GRADY,
City Attorney, City of Dallas.
hsg-as"

Chairman Purl: I would like to have this put in the record if there is no objection. I received a communication from the President of the Dallas Retail Grocers Association several days ago when the hearing first started and I asked Mr. Brinker, the president, to come down here. He came yesterday and we didn't use him. I went through his files and found a great many of his complaints day before yesterday. Mr. Brinker had to go back home and we excused him, but he left behind one communication with the Chairman of the Dallas County Relief Committee. We have not got Mr. Brinker here to prove it up, but I think the signature can be proven up. I think it is instructive if nothing else. I want to have two letters read and then ask Mr. Westbrook a question if I may, and that is all I have to offer. Please read a copy of Mr. Brinker's letter and Mr. Florence's reply.

(The following letters were read by the secretary.)

"July 11, 1933.

Mr. Fred F. Florence,
Chairman R. F. C. Committee,
City.

Dear Sir:

On several occasions The Grocers Committee have met with your committee, in regard to operation of city commissary for unemployed.

We have contended that this could be best served by abolishing the commissary entirely or give the workers option of receiving all cash, and make purchases from local grocers of their own choosing.

We would greatly appreciate the views of your committee on this.

Thanking you for same, we are,

Yours truly,

RETAIL GROCERS ASSOCIATION,

By P. M. Brinkler, President."

"July 18, 1933.

Mr. P. M. Brinker, President,
Retail Grocers Association,
2906 Greenville Avenue,
Dallas, Texas.

Dear Mr. Brinker:

In answer to your letter of July 11, we wish to advise you that the local committee has on several occasions unanimously recommended that the option to receive their pay in

cash or groceries be granted those receiving benefits of the relief work. This action was approved at Austin, but was later withdrawn at the instance of Mr. Williams of the Austin and Washington offices. Since that time, the committee has gone on record in favor of this action, as shown by the minutes of the meetings, and we again have the matter up with the authorities at Austin and hope to be able to work same out on an optional basis.

Yours very truly,

(Signed) F. F. FLORENCE.

F. F. Florence, Chairman,
Dallas County Relief Committee."

Chairman Purl: Mr. Westbrook, may I ask you at this time if the minutes of your meetings show that the organization here in Austin has gone on record as being in favor of abolishing the commissaries and buying groceries locally?

Colonel Westbrook: No, they do not. The minutes, I think, show that the commission does not favor as a general thing commissaries and also that is true at Washington, however, on account of the fact that we have not had enough funds to go around we have maintained these commissaries up to date. Personally I would like to get rid of them. Probably within a few months we will be able to work out some way to get rid of the commissaries. We have a lot of detail and worry we would like to get rid of. There are a good many things in favor of them in addition to the saving. We have found in cases where they didn't have commissaries and got orders for the groceries they didn't get the groceries but got cash and it is quite a moot question.

Chairman Purl: I have not been in favor of giving cash but I have an open mind on commissaries. The complaints that come to me as reflected by my files—a good many citizens of Dallas County complained that there is a ten or twelve cent tariff on these groceries before they are through. A poor working man lives out 5 or 6 miles from town and has to come to town and get his groceries such as lard and things like that which are inconvenient to carry and you can't carry them 5 or 6 miles and has to pay 12 cents on the street car. Every time they cost 12

cents to come and get it. Some are not able to come so great a distance. The retail grocery man, if they would get 30 or 40 staple commodities an order going out could be filled by them and the average man getting it, would be within 6 or 8 blocks of the groceries. It is a fact that last winter they stayed out in the rain, freezing, wet, to get groceries and they had no sanitary toilet facilities and when a man got out of line and he would lose three or four hours and then in some instances there was the complain that the order had not reached the commissary and all his time availed nothing. And so that is the complaint you might say the recipients have and the retail grocers' organization felt that they could furnish it maybe as cheap and it would be less inconvenient for the whole.

A. That has been the case, however, we are arranging in the face of some criticism to deliver these groceries. They get a two weeks supply at once. That is being put into effect.

Q. Well, apparently they made a mistake that your minutes would reflect that.

A. No, they don't reflect it, that is something they left up to us to say.

Senator Greer: I have a telegram I wanted to have read.

Chairman Purl: That will go into the record if there is no objection.

Senator Duggan: I have a telegram, too.

Chairman Purl: That will go in the record.

Senator Martin: I have some communications to have read.

Senator Small: Senator Neal gave me that letter to be read.

(The following letters and telegrams were read by the secretary:)

"1933 SEP 29 PM 4:00.

D321 37 NL—KAUFMAN TEX 29

Senator Julian P. Greer

Austin, Texas

The Directors of the Kaufman Chamber of Commerce have unanimously endorsed the present Rehabilitation and Relief Commission of Texas and the administration of Col. Lawrence Westbrook We ask you to oppose

any material changes in the organization

W. W. BIARD, Secretary,
Kaufman Chamber of Commerce."

"1933 SEP 29 AM 9:45.
D6 47—Lubbock Tex 29 928A

Hon Arthur Duggan
Senate Chamber
Austin, Texas

We have another paid worker in our town this morning Stop Our city is well organized and can take care of the needy the city has pent nearly fifteen thousand dollars this year to help the poor our citizens are loyal and willing to work without pay Stop

J. J. CLEMENTS, Mayor."

"September 21, 1933.

Colonel Lawrence Westbrook,
Director Texas Rehabilitation and Relief Commission
Austin, Texas

Dear Lawrence:

Our funds are running low and I am wondering if you can not send us up about \$5,000.00 on September allotment. We have already contracted to use the larger part of the amount now on hand.

I am very glad to note the very complimentary remarks made about you and the handling of the relief funds by the representative of the Federal Government. In my opinion the State will make a mistake if they set up a different organization to handle the State bond money. A duplication of effort will cost considerable money. We already have the machinery set up and there would be very little additional cost, if any, in handling the twenty million dollar bond issue and less likelihood of some of the funds being diverted to purposes not contemplated by the Act.

You have managed the relief work in a very able manner and I am sure your record will compare favorably with the best record made in the United States.

Cordially yours,

(Signed) W. W. WOODSON,

Chairman, McLennan County
WWW:ms Relief Committee."

"Henderson, Texas,
September 26, 1933.

Sen. Margie Neal,
Hon. C. W. Turlington,
Col. Lawrence Westbrook,
Austin, Texas.

Dear Senator and Gentlemen:

I am writing this joint letter to give the full details of the matter referred to in the columns of the Dallas News of this date under an Austin date line.

In the story regarding the present investigation of Mr. Westbrook's administration one paragraph made mention of the fact that a telegram was read by Senator Clint Small, which was sent by Joe Hill, of this city, which stated that Rusk County administration had disbursed R. F. C. funds to members of the Henderson base ball team. This charge is true and my remarks are in the nature of an explanation rather than a defense.

The facts are: The local franchise of the Dixie League was not a private one. Capital for operating the franchise was raised by public subscriptions entirely and the board of trustees was elected at a mass meeting to handle the affairs of the club. We had several promising ball players who were unemployed and others came here in great numbers seeking employment with the club. Fifteen men and a manager were employed as a result of this enterprise, who probably would not have been employed had not this club been formed. It created sixteen new jobs.

All went well until two or three important games were rained out and the expense of the club exceeded its income. The trustees were faced with failure and were ready to surrender the franchise and disband the club.

To the writer it seemed an unusual opportunity for the local relief committee to maintain employment for sixteen men, most of whom had families, by supplementing the salaries of the players which were already ridiculously low. We, therefore, made direct relief grants to the players in the extent of \$15.00 each per month for three months, which precluded the dissolution of the team.

At the end of the three months period the Orr Bros., of this city,

took over the franchise as a private enterprise and all assistance from this agency was promptly withdrawn.

The results of our small help provided employment for sixteen men from May until August 27, which I consider a worthwhile contribution to the cause of unemployed, at a very small cost to the agency.

This relief reached a group of people commonly known as "The forgotten man of the depression," and I am distinctly proud of the contribution this agency made in this case.

There was no secrecy surrounding the transaction at the time nor since and our records are perfectly clear in each transaction.

As stated in the beginning, this letter is not a defense of our action, but is designed to give you the full story as I very well know that a telegram, such as Mr. Hill sent to Senator Small, was designed to discredit this administration, and without the full knowledge of the surrounding circumstances, might very readily arouse suspicion in a group where suspicion already seems to reign with a free hand.

I am sure that the relief granted in this case is within the spirit and intent of the Reconstruction Act. I can see, at the same time, that a distorted picture of the circumstances would appeal to the prejudices of many members of the investigating bodies.

Yours very truly,

(Signed) A. H. GARDNER.

A. H. Gardner, Administrator.
AHG—LR.

P. S. It might be interesting, in the light of current accusations, to know that the appointments in this county have no political significance whatever. So far as I have been able to learn there is no member of the local board or staff who supported Mrs. Ferguson in the primary elections last year.

A. H. G."

Senator Martin: Mr. Westbrook has a paper there that I want him to introduce at this time, please. I wanted to ask him some questions, too, when he introduces it.

Senator Small: Men have been summoned here, one of them came 700 miles, and I think we are duty bound to use them and let them get out of town.

Chairman Purl: I think so, too.

Senator Martin: I think so, myself. One of the men he has reference to was summoned after the managers of these regional chambers of commerce had been summoned. I think he ought to be used first.

The Committee of the Whole, on a motion of Senator Collie, recessed at 10:00, subject to call.

Chairman Purl: The Committee of the Whole Senate will come to order.

Senator Small: Mr. Chairman, we want to call Mr. Bandeen.

Thereupon D. A. Bandeen was sworn to tell the truth, the whole truth, and nothing but the truth, and testified as follows:

Senator Small: State your name.

A. D. A. Bandeen.

Q. Where do you live and what is your business?

A. I live at Stamford, Texas; I am manager of the West Texas Chamber of Commerce.

Q. How long have you served in that capacity?

A. Since November, 1930.

Q. Where did you come from to that organization?

A. El Paso, Texas.

Q. In what capacity did you serve out there?

A. I served ten years as manager of the chamber of commerce.

Q. You were manager of the West Texas Chamber of Commerce at the time it assisted in the administration of relief funds in Texas?

A. Yes, sir.

Q. Tell briefly your connection with the administration of those funds.

A. Our organization was requested by Governor Sterling in September to assist in administering relief funds provided under the Relief Act of 1932. He requested that committees be set up in the various counties in the State and in West Texas and that the organization serve in preparing applications from all the political subdivisions, to supervise those applications and upon the granting of the allotments by the Government to distribute and administer the funds within the counties. As a result of that request, the organization undertook the assignment and the organization furnished 130 counties and commit-

tees with a set-up in all of the 130 counties. Money was made available to 125 of the counties.

Q. What was the first application? What did it total?

A. The first application, I can't tell you exactly what it totaled, I can tell you what was secured and what was distributed through the West Texas Chamber of Commerce. For November there was distributed \$179,828.60.

Q. That was in November?

A. Yes, sir.

Q. Well, over the entire period can you give the allotments that you got?

A. The amounts turned over to our organization for distribution were as follows: November, \$179,828.60; December, \$187,170.18; January and February, \$564,833.00. Total, \$921,831.78.

Q. You didn't get anything after February?

A. We prepared applications for March and April, prepared applications and submitted the report to Governor Ferguson for March and April. The funds described here are the only funds turned over to us by Governor Sterling for distribution.

Q. How much money out of that was allowed the organization as administrative expense?

A. The organization received from Governor Sterling, from the R. F. C., \$833.33 a month.

Q. How was the other administrative expense borne?

A. The administrative expense within the counties was almost entirely borne by the political subdivisions themselves.

Q. Well, how was the administrative expenses in your organization, the \$833.00 taken care of? Did you pay it out of the other funds?

A. They didn't take care of it; the total cost of doing the job was something like—\$5,400 in August is what we received.

Q. Who paid that?

A. West Texas Chamber of Commerce.

Q. Do you know how the distribution of checks as to the several counties you represented was made?

A. Yes, sir.

Q. How was that distribution made and where?

A. We called several district

meetings, invited all of the committees to come to the meeting. I think we held six or seven district meetings over the territory of the West Texas Chamber of Commerce. The committees were to come into those meetings for the purpose of getting their instructions, signing their bonds, signing their receipts, and to get organized. They got their instructions as to the program for administering the funds and as to the general conduct of the affairs of the committees.

Q. You put all the men who handled those funds under bond?

A. Yes, sir.

Q. Were you under bond yourself?

A. Yes, sir, I was.

Q. Now, there has been some testimony here as to the pressure you brought to bear upon some of these counties to make them kick in with memberships in the West Texas Chamber of Commerce. I wish you would just tell what was done along that line.

A. Walter Cline was designated as chairman of the membership campaign for the fiscal year ending May, 1933. The letter which is already in the record, I think the date of that letter was December 10th, was sent to all political subdivisions of West Texas asking them to raise their memberships in the West Texas Chamber of Commerce. Others in the organization, of course, assisted Mr. Cline and we put the figures of the membership campaign. The president himself, Wilbur Hawk, of Amarillo, was directing figure in the campaign, of course, various members of the staff assisted in it.

Q. Did you set out the conditions upon which they could join and participate in these relief funds, that is, force them to take membership in the West Texas Chamber of Commerce?

A. No, sir.

Q. I think the counties of Lipscomb, Oldham, Johnson and some other counties have been drawn into this. Do you have there any records of the West Texas Chamber of Commerce?

A. Yes, sir. I would like to give you that record straight if you will let me search here a minute. Of course, all I know about what has been said with reference to Johnson County and Lipscomb County and

Oldham County is what appears in the press. Seemingly, J. D. Webster of Johnson County makes affidavit and says that D. A. Bandeen demanded \$250.00 before his county could get relief money or something to that effect. I will say that I recall no correspondence or conversation with Mr. Webster, in accordance with that testimony, with reference to membership. This county received on January 13th, at a meeting in Fort Worth, a check which was through the R. F. C., allotment for January and February, a check for \$16,000. The check was delivered to H. C. Custard, who was chairman of the Johnson County committee, and a receipt was given us by Mr. Custard.

A meeting was had between the meetings, and the entire Johnson County committee, as I recall was greatly interested in the whole proposition. I will say also that Johnson County presented to us one of the very best relief applications, a most accurate one, and one of the very best relief applications we have received.

Now, on January 13th, they received their relief money, \$16,000. On February 1st, we received \$100.00 from them in membership. Gave them relief money on January 13th, and on February 1st, we received 100.00 membership from the city of Cleburne. We sent receipt No. 3385 to Mr. J. S. Hofman, who is mayor of the town and who was chairman of the committee in Cleburne. We received another \$100.00 on February 4th from Johnson County and receipt No. 3404 was issued to H. C. Custard; receipt was issued to the treasurer of Johnson County. So \$200.00 was received from Johnson County on February 1st and 2nd, and they got relief money on January 13th.

Now, in that connection I would like to read a portion from a letter that I have from Mr. J. S. Hofman, mayor of the City of Cleburne (reading):

"In behalf of the citizens of Cleburne we desire to express our thanks for the manner in which you have handled this Government Relief Fund, and if we can be of any assistance to you, either at present or in the future, command us."

Senator Martin: Just a minute. What is the date of that letter?

A. The date of that letter is January 30, 1933. I would like also to read a portion of a letter from H. C. Custard who is president of the Cleburne Chamber of Commerce, a banker in Cleburne and was chairman of our county committee. The date of the letter is February 3, 1933 (reading):

"I feel that the work you are doing in handling these applications and allotment of funds is a very worthy undertaking and certainly feel that the counties participating in allotments of such relief funds should bear their part of the West Texas Chamber of Commerce expense in handling this matter. On this basis I had no hesitancy in insisting that both the city and county assist us in taking care of our \$250.00 quota and likewise have no hesitancy in insisting that our local chamber of commerce stand the additional \$50.00 from some source, and as stated before this check will be forthcoming to you shortly."

Now, with reference to Oldham County, I understand, according to the press that Charles Ingram said relief funds were used for the payment of membership in our organization. I will say that Doctor O. H. Lloyd was chairman of our committee in Oldham County. Oldham county received relief moneys as follows:

November 17, \$953.67. The receipt was signed by Doctor Lloyd. December 8, \$956.74; receipt was signed by Doctor Lloyd. January 12, they received \$2,000; receipt signed by Doctor Lloyd. The committee received the moneys November 17th, December 8th and January 12th. Memberships totaling \$40.00 were received from Oldham County on February 6th. Receipt No. 3415 was issued to Doctor O. H. Lloyd who transmitted to us the money, \$40.00.

Senator Small: That was long after they had the money?

A. Yes, that was several months after November, several months after December. It was a draft for \$40.00. A letter from Doctor Lloyd states that the memberships were from: "Doctor O. H. Lloyd, \$10.00; C. E. Winder, \$10.00; C. L. Morris, \$10.00; Charles Ingram, \$10.00." We assumed that those are the four who paid the \$40.00 memberships

which were transmitted to us by Doctor Lloyd. A receipt was issued to him to that extent.

I understand that Lipscomb County also was another county. J. F. Latimer states that Mayor Hawk asked him to take \$160.00 in membership. Relief money was delivered to Lipscomb County on January 12th, \$2,000, a direct allotment from the R. F. C. The receipt was signed by T. H. Black who is chairman of the Lipscomb County committee. \$70.00 membership was received from Lipscomb County on January 31st; receipt No. 3379 was issued to Mr. Black. Mr. Black transmitted to us this list of membership of those holding membership in Lipscomb County: T. H. Black, \$10.00; C. H. Hyde, \$10.00; J. F. Latimer, \$10.00; Frank Doyle, \$10.00; B. G. Hurn, \$5.00; Frank Cheatham, \$5.00; Jesse R. Davis, \$5.00; Alex Laubhan, \$5.00; P. O. Boyd, \$5.00, J. W. Douglas, Jr., \$5.00.

Now, those are the three counties with reference to membership. No money for membership was received from any county until long after relief money was delivered to them. Now, in that connection, if I may be permitted to do so, I would like to present to you this information:

The first allotment of funds, take the January—February allotments of funds, there were fifty-two counties that received funds in January or February that were not affiliated with the West Texas Chamber of Commerce. If I recall correctly, there were 112 counties only that received funds; fifty-two of them were not in any manner affiliated with the West Texas Chamber of Commerce. The total amount of money distributed in January and February in those counties that were not affiliated with the West Texas Chamber of Commerce—they received 35% of the funds.

Senator Small: They are generally the smaller counties, aren't they?

A. Generally the smaller counties. Among the counties being Burnet County, Crockett County, Irion County, and Loving County. We take great pride in the fact that Loving County, a county with 195 folks in it got relief money from the first on. Now, these counties I am reading are not affiliated now.

Chairman Purl: How many did you say?

A. 195 folks in Loving County.

Chairman Purl: I mean how many families got relief.

A. How many families. Divide that 195 by about 4½ and you get the number of families.

Chairman Purl: That is all right. I didn't mean to take up your time.

A. Medina, Schleicher and Terry, those counties are not now affiliated with the West Texas Chamber of Commerce.

The record for November and December distribution shows that 32 counties out of seventy some odd were not affiliated with the West Texas Chamber of Commerce. When funds were received on the November and December distribution, of the total amount of funds distributed, 33% of it went to counties not affiliated with the West Texas Chamber of Commerce.

I am reciting this history to show you that there was no connection between the membership matters and relief administrative matters.

Senator Small: You went ahead and served them whether they were members or not?

A. Yes, sir. Loving County, we never did have a membership in Loving County and never expect to have.

Q. Stonewall County out there. Have they got any membership with you?

A. Stonewall County has got membership now; it has not had membership in the past; they were affiliated this year.

May I add this also, I would like to put this into the record, it pertains to this point that is under discussion. Here is a letter from Mr. B. L. Russel, addressed to me, it is dated February 13, 1933. Mr. B. L. Russel was chairman of our committee and served not only as a director of the West Texas Chamber of Commerce, but he was chairman of our relief committee in Callahan County. Mr. Russel says (reading):

"Our R. F. C. committee has collected only thirty dollars on our assessment of \$200.00 for memberships in your good institution.

"We would like to know if we would be authorized to deduct the remaining \$170.00 out of funds that

may be awarded us for March and April. Please advise.

"We have made an honest effort to raise our quota of \$200.00, but it cannot be put over, unless we can take it out of our allotment."

Senator Martin: What county is that?

A. Callahan. Here is the answer. It is dated February 14, 1933. (Reading):

"Mr. B. L. Russell,

Baird, Texas.

Dear Mr. Russell:

By all means, do not use any Federal relief funds for West Texas Chamber of Commerce affairs. Same would be unthinkable and wholly illegal. We must keep the two jobs separate. I know you are doing your best to secure good relief administration which is one job and I know you are also doing your best as our organization representative which is another job."

In that connection here is a letter from Mr. Ed. A. Kelly, County Judge, Real County. It is written in long hand (reading):

"In answer to Mr. Clines good letter to me several days ago will say that I have been trying to work out some plan to go over the top relative to the membership drive for West Texas Chamber of Commerce and have decided to assess or get a small contribution from the people that I have given work and paid for out of these funds. By doing this in this way, I will probably go over the top in January 1933."

Now, this letter is Mr. Hopkins' reply. Mr. Hopkins is assistant manager of the West Texas Chamber of Commerce.

Senator Small: Is he any kin to this one up here at Washington?

A. You will have to ask Maury about that. Here is the reply of Mr. Hopkins (reading):

"While we appreciate your attitude with reference to payment of Leakey quota in some manner that will not be burdensome to our citizens, we cannot approve of the plan which you suggest of assessing the recipients of the relief funds the small amount to raise it. We believe this to be contrary to the whole purpose of the relief funds, and not in line with the policies which we have advocated for its administration."

I want to read a letter from Mr. Hawk, President of the West Texas Chamber of Commerce to Mr. R. J. Atkinson (reading):

"I want you to understand that if you do not raise your quota it will in no way affect your allowance from the Federal Government as this money is not given on a contingent that you are a member of the West Texas Chamber of Commerce."

Q. Do you know of any effort that was made anywhere to use those funds to build up membership in the West Texas Chamber of Commerce?

A. I do not.

Q. Isn't it a fact that those in charge of this work did all that was in their power to keep it separated just as indicated by you?

A. They most assuredly did. I have analyzed all the receipts of the organization since this matter came up in the press and the analysis of our receipts shows that we could trace none of that money to the relief funds.

Q. What about your finances since you have been with the organization? I wish you would just detail that to the committee.

A. Well, we have financed our organization successfully. In fact, when I came with the organization, the organization was \$28,000 in the whole. It owed \$28,000; it had \$3.58 in the bank.

Q. You had how much?

A. \$3.58. At our first convention held in Abilene we reported that the bills were all paid and there was a cash balance in the bank of around \$6,000. At our next convention, held in Lubbock, our financial statement showed that all bills were paid and there was cash in the bank of around \$12,000. At our 1932 convention held in Sweetwater the financial statement showed that all bills were paid and the organization had around \$19,000 cash balance in the bank. At the last convention the organization's financial statement showed we had around \$24,000 cash balance.

Q. In the bank?

A. In the bank. Our membership collections for the year ending May, 1933, that is our fiscal year, our collections from memberships were less than they were, about \$1500 less than they were for the

year ending 1932. In 1932 they were \$3,000 or \$4,000 less than for the year ending 1931.

Q. I will ask you if it is not a fact that in handling this relief work you neglected your membership and that as a result your membership fell off and you don't have as big a portion of West Texas in your organization as you had previously?

A. Of course, we devoted practically all of our time to this job and our staff devoted its time to this job in order to give service to 130 counties in West Texas, consequently the rest of our work program was neglected. I feel that if we had proceeded on our regular program our financial condition would have been better than it is. As far as money is concerned I feel that we would have collected more money had it not been for this activity.

Q. Is there any statement you want to make—wait a minute, strike that, please? Did you have any social welfare workers in connection with the administration of these funds?

A. No, sir, our instructions to the county committees were that they should utilize their agencies which must bear the cost of the overhead, that this work relief proposition was more or less for relief and not for overhead. Our slogan was "Millions for relief, not a cent for overhead." Another slogan was "No work, no eat." Upon those two propositions our committees I think faithfully carried out their assignments. There were no auditors, no clerks; we had a trouble shooter, we called it trouble shooter, who assisted in making the allotments within the counties; that was just a trouble shooting proposition.

Q. Well, in making up your applications, say for El Paso County and Brewster County—did you have anything to do with Dallas County?

A. No, sir.

Q. In El Paso and Brewster Counties, you helped make up those applications?

A. That was not placed through the West Texas Chamber of Commerce, and did not show in our disbursements or receipt. As a matter of fact there was around four hundred thousand dollars that came into the West Texas territory that was not received or disbursed by the

West Texas Chamber of Commerce. The El Paso situation was handled by a representative from Washington and there was a separate organization set up there under their supervision.

Q. Do you know how much they were given?

A. I think it was around fifty-five thousand dollars per month.

Q. What about Brewster County?

A. That was supervised by the R. F. C. representative.

Q. Do you know how much they got?

A. I think around six thousand dollars per month.

Q. That was handled through the R. F. C. representative

A. Yes, sir.

Q. Now as compared with the other counties around Brewster, of the population, of the same population, how many people in some of those other counties there and how much money did they receive?

A. Well, Upton County.

Q. Is Upton County about the same size as Brewster.

A. I just do not remember. Brewster might be just a little larger. I do not have the figures here with me. I believe Brewster is a little larger. Upton County got \$800.00 per month, got around eight hundred dollars per month in January, and in January and February rather, around one thousand dollars per month.

Q. And at the same time, the other county was receiving around six or seven thousand dollars per month.

A. Yes, sir.

Q. Have you had occasion to make other comparisons out in that country with reference to those set up under the West Texas Chamber of Commerce and those set up under the R. F. C. representative?

A. The Brewster County and El Paso County situations are the only two situations that were set up in West Texas under the R. F. C. representative.

Q. Is it not a fact that both of them were excessively large and as compared to the amount of funds that were put into other counties, and that the funds that went into the other counties throughout West Texas were not put in on a per capita basis as those were?

A. I do not know. The distribution through the West Texas Chamber of Commerce was put on a relief basis. The applications were presented to—the applications we presented were on a relief basis. I do not know whether the applications that were presented by them were put on a population basis or not.

Q. You were very modest. What about Dallas County?

A. Dallas County is not one of our one hundred and thirty counties. I do not know what the figures are for Dallas County.

Q. You do not know how the figures in Dallas and Fort Worth compare as to population with the two instances cited?

A. I know that Fort Worth was given around \$75,000.00 per month. Tarrant County that is. About seventy-five thousand dollars per month—somewhere around that. I do not know just what the Dallas County situation was. When we were serving on Governor Ferguson's commission, which was composed of Harry Tom King, Mr. Cameron and Mr. Lowe. The commission recommended one amount and the Government raised the amount.

Q. The Government just raised their request.

A. Raised the report of the Governor's board. We were making a report to the Governor, and if I recall it correctly, Dr. McMillan raised the amount.

Q. Do you know of any instances out in West Texas, where the Government's representative would insist upon you taking more than you asked for—for instance, if you would make any application for one amount, and then they would suggest that you take more?

A. Well, I understand that happened in the Wichita Falls situation although that is not of my knowledge.

Q. You heard the testimony here of Mr. Cline yesterday, with reference to the handling of these funds. Does his testimony pretty well bear out the attitude of the directors of the West Texas Chamber of Commerce?

A. Yes, sir.

Q. Now is there any other statement that you have in mind that you

want to make in connection with this, Mr. Bandeen?

A. I do not think so, in view of the very clear statement made by Mr. Cline.

Senator Martin: Mr. Bandeen we will take Cleburne, or Johnson County—those people who are so fortunate as to be invited to come to Fort Worth to get that sixteen thousand dollar check?

A. Yes, sir.

Q. You do not know how that money was used in Johnson County?

A. Johnson County made a report as to how the money was used—it has a complete report, as to the amount of money received, and the amount on hand, and the amount disbursed in the following manner. Balance on hand at the beginning of the month, balance on hand at the end of the month; amount of money received during the month and the amount of money disbursed for direct relief the amount of money disbursed for work relief, the amount of money disbursed for local relief administration, and another report on number of families aided. Local families aided and non-family cases or persons aided, local and transient. They stated the cost of administering relief in those different sections, and furthermore stated how much money they received, whether from the Relief Fund, or contributed by the local government originally, what money was contributed by private contributors, what money they received from the Red Cross and what money they received from the R. F. C.

Q. Now, with reference to Hood County is that in your district?

A. Hood County I think—

Q. (Interrupting) Did any county ever fail to report?

A. (Interrupting) Hood County received their January and February allotment \$3,000.00 and in Hood County they made a request or application in March and April, and filed a report on the same forms furnished which the Government had sent out.

Q. That report was all you received from them—do you know whether or not there were any receipts received with the report?

A. Only this Government report which was a government form.

Q. You have learned since that time that the distributing agency in

Hood County, the one who was given the distribution of those funds, that there was considerable discrepancy in that?

A. No, I did not know that.

Q. You did not know that one has pleaded guilty and perhaps several others are under indictment in connection with the mishandling of those funds?

A. All I know is that they made a report on these funds. I know that a representative of the R. C. F. checked their report.

Q. Now, then, when the Federal Government in distributing those funds decided to use that system, and used that system for a period of time, and after using it for a while they discovered these discrepancies taking place, that that plan would not work, and that they could not endorse or tolerate a condition of that kind, and they decided to put in another system, to keep up with every dime of the money to see where it went, don't you think that the Government would be right and fair in doing that?

A. This form of report that the Government then had, I think, could be improved on.

Q. And since the Government has done that, don't you think that there has been an improvement?

A. I said—they specified the form of report which was sent out and I would say that that form could be improved on.

Q. Now back again to Johnson County matter. The first check those people received, I believe you said was for sixteen thousand dollars?

A. Yes, sir.

Q. Did you write a letter to Johnson County along in October of last year, advising them that the West Texas Chamber of Commerce was handling the Federal relief funds, and that the allotment would be available in the near future.

A. I might have written it. I do not see the letter in my files here.

Q. Did you later on in January, write a letter to Mr. Custard of Cleburne, Texas, asking him to come to Fort Worth?

A. Sometime before the distribution of the money at Fort Worth?

Q. Yes?

A. Yes.

Q. You had a considerable con-

versation with Mr. Custard and the other gentlemen who came there at that time?

A. Yes, sir; on relief matters.

Q. You did not discuss with them the question or advisability of becoming members of the West Texas Chamber of Commerce?

A. I did not; no, sir.

Q. Did anyone else in your presence discuss it?

A. Not in my presence.

Q. You do not know why then, immediately after receiving that check that they should go back to Johnson County and send the West Texas Chamber of Commerce a check for \$100.00 for membership in the West Texas Chamber of Commerce?

A. No, sir. I am trying to find that letter of December 16th.

Q. Did you tell those people at the time that they came to Fort Worth to receive that check in January that the amount of money they received in the future depended on what they did for the West Texas Chamber of Commerce, or anything like that?

A. I can recall no such conversation?

Q. Will you say that that did not occur?

A. I will say that that statement was never made in my presence.

Q. Then if Mr. Webster made that statement he was mistaken about it?

A. I never made that statement.

Q. Now I believe that after the meeting there in Fort Worth, those people, there were several of them—who met you there in Fort Worth, that thereafter you received a check from them.

A. Yes, sir. We received two checks.

Q. One of those checks was from the City of Cleburne for \$100.00 and the other was from Johnson County for \$100.00, or a total of \$200.00?

A. Yes, sir.

Q. Did you in that conversation there in Fort Worth or at any other time make the statement that if they expected to get any more money, that the amount of money which they would get would depend upon what they did for the West Texas Chamber of Commerce?

A. No, sir.

Q. That it would cost the West

Texas Chamber of Commerce about thirty thousand dollars to take care of the expense of distributing this fund, in making trips to Washington, and that each county would be expected to give their quota, according to the amount of Federal money received?

A. No, sir.

Q. You did not make that statement?

A. No, sir.

Q. Now then, one of those checks was from the city of Cleburne and for \$100.00?

A. That is right.

Q. And the other was from Johnson County, for \$100.00?

A. That is correct.

Q. Now, do you know of any law on the statute books that would permit a county in this State, or any political subdivision of it, to pay for membership or join a chamber of commerce?

A. No, I do not.

Q. Now there is a difference in the statement as made by Mr. Webster and yourself, and that is that you state that you discussed policies and he states that you made these other statements?

A. That is right.

Q. You will agree that Mr. Webster was in Fort Worth?

A. Yes, sir.

Q. That afterwards the checks which were requested were drawn and you received them?

A. Yes, sir.

Q. Now Mr. Webster states that each county that was represented there was advised that they had been assessed according to the amount of relief money they were to receive from this relief fund—and you say that did not occur?

Q. No, sir. The letter that went out on December 16, and which is a part of the record here, is the letter that assessed the quotas on the different towns in our territory.

Q. And that was assessed in accordance with what they received?

A. No, that is not true.

Q. I want you to understand, Mr. Bandeen, that I am not censuring you for what you did. I think that your organization, the West Texas Chamber of Commerce, has done some splendid work in the interest of the people of West Texas. What

we are interested in is that we want to know that the West Texas Chamber of Commerce was not going around and placing a quota on the various towns of the State, that section of the State in the West Texas area, and fixing a quota on them for securing for them certain amounts from the Federal Government for this relief work—arbitrarily fixing quotas on the towns for that service and trying to force the towns to make up that quota by reason of getting this relief fund from the United States Government?

A. No, sir; that was not done. We figured our quota at so much, which we figured was over and above what we received for handling this extra work; it cost us around \$5,500.00—

Q. That was paid by these organizations in memberships to the West Texas Chamber of Commerce?

A. Yes, sir; and was necessary, to carry on the work of our organization.

Q. We were allowed, I believe it was \$833.00 to take care of the expense of distributing this fund, and this other was to supplement that?

A. That is right.

Q. Now, have you ever shown how much of that supplemental money, that supplemental fund, was expended, and whether or not it was expended as administrative cost—don't you think that was a proper charge to the administrative cost of distributing those funds.

A. The only expenses that we incurred in connection with this work was from time to time after we took it over was visiting the various counties and assisting them in making up their applications, and later the Federal Government stated that these funds should be supplemented by such amount of money as was necessary to take care of the administrative expense.

Q. You did not have to supplement the work that you were doing in 1932 on this relief matter, did you?

A. We did quite a lot of this preliminary work during 1932, getting things in shape; making trips to Washington, and we felt that this had caused an additional expense of some five thousand dollars.

Q. Now that five thousand dollars, over and above what was deducted from the Federal funds which your chamber used for distributing this fund was administrative expense?

A. Yes, that was paid by these organizations in memberships.

Q. And that was necessary regardless of the agency which distributed those funds for them—it was necessary for them to have some money to take care of that administrative expense?

A. Yes, sir; certainly.

Q. And there was nothing wrong with that?

A. No, sir; I do not think so. The Federal Government authorized the supplementing of those funds and we did it by using these memberships—we supplemented the administrative expense in connection with the distribution of those funds with the local funds which we received in the manner outlined—from the resources of the various towns.

Q. Well, suppose that there were some of those towns that had been resourced out—they could not come in—they have gone just as far as they can in making contributions, then what would you say?

A. Still the principle of going into partnership with the community as far as combining their resources was concerned, the administration applied to all of them the same principles and policies, and the law specifies that they shall supplement those funds with local contributions.

Q. Now let's see: Mr. Cline, in a letter written to Mr. Rosson, at Hereford, Texas, under date of December 10, 1932, among other things makes this statement: "We feel that you will accept this quota as both fair and modest, and reminding you that it is only 3.3 per cent of the amount of money your community has received through our organization from Federal relief funds for two months" does not that statement in itself, taking that statement into consideration, does not that show that you were using this Federal relief money that you had secured as a lever on these towns and counties to compel them to take memberships in your organization?

A. That is an argument to sub-

stantiate the fact that the West Texas Chamber of Commerce had been doing efficient work, that its executive board had been largely responsible for securing the funds for these various counties, because they went to work to have these applications prepared and gotten in shape to present to the Federal Administrator, and that was one of the reasons why these quotas should, we felt, contribute to our organization—that and the other efficient work that had been done by our organization for a great many years.

Q. Then when you started to distribute these Federal funds you took particular occasion to call that service to the attention of the various counties and cities in your territory?

A. Yes, sir. We had spent five or six months in getting these applications prepared and ready for the presentation to the Federal Administrator, and that naturally was an argument to get our quota.

Q. That was merely used as an argument, in getting your quota, but you did not claim that it was necessary to get that quota before they were given their allotment?

A. No, sir.

Q. I want to ask you about another statement in here, with reference to Lipscomb County—the delegates met you in Amarillo to receive their funds did they not?

A. Yes, sir.

Q. Now the statement that I have before me is as follows: "We went to Amarillo, Texas to receive our allotment of relief funds. Before the money was paid to us, we were taken into a private room and asked to take out memberships in the amount of \$160.00 in the West Texas Chamber of Commerce." You knew about that statement?

A. Yes, sir.

Q. "After we agreed to take out these memberships, we were sent into another room and Mr. T. H. Black, our county chairman, received from Mr. D. A. Bandeen a draft for \$2,000.00, that being our quota for January and February." That happened didn't it?

A. Yes, their quota was \$2,000 and they were given a draft for it.

Q. And "we came home and raised the money and sent it to them—sent to the West Texas Chamber

of Commerce a draft in the sum of \$160.00."

A. Sent us \$70.00.

Q. \$80.00 I think—we are both wrong—

A. I think it was sixty dollars, and we have not got the other hundred dollars—maybe you will help us collect it.

Q. Now, I would like to ask you about the following portion of a letter from Wilbur C. Hawk, President of the West Texas Chamber of Commerce: "Just a note to acknowledge receipt of your good letter of January 13, enclosing check for \$80.00 to apply as dues for the Hereford Chamber of Commerce"?

A. That is a different man.

Q. Now with reference to the communication from Mr. Ingram: I have the following statement: Mr. Ingram, Mr. Windler, Mr. Morris and Mr. Loyd, the gentlemen who paid ten dollars each to join the West Texas Chamber of Commerce. Did you have individuals joining your chamber of commerce in the counties around throughout your territory. You say that Johnson County and the City of Cleburne joined, and do you have individual members in addition to those various organizations?

A. The unit of representation in our organization is the town; the number of memberships that are taken out in the town, determines the delegates to our organization.

Q. These gentlemen were paid ten dollars each, which they afterwards they turned these checks into your organization for membership?

A. When they did that that entitled them to representation in our organization, for their town and representation on the board of directors.

Chairman Purl: Any further questions of this witness?

Colonel Westbrook: Mr. Bandeen, I believe you said that you prepared the applications for March and April?

A. Yes, sir.

Q. And for January and February?

A. Yes, sir.

Q. How did you prepare them—what was the basis used in preparing them?

A. You mean the applications?

Q. Yes. How did you arrive at the number of people in the various

portions of the territory served by your organization—how did you arrive at the number of people that were in need of relief in your section of the State?

A. Form Number 30 of the R. F. C. was the form specified for the various political subdivisions. Exhibit—table 10 of this form, the political subdivision estimates the number of families that they expect to be in need for the next two months; transient families, and families, and local non-families, and estimates for the number of families and the amount of money that will be required to take care of their necessities for the next two months.

Q. They were prepared within the political sub-divisions and sent to you and then what happened?

A. They were checked by a representative of the R. F. C. quite thoroughly.

Q. Did you check them; did you check them to find out whether or not the requests they made were reasonable?

A. We sat right in with the representative of the R. F. C.

Q. And did not the representative of the R. F. C. advise with you as to the extreme need of seeing that only such claims as were reasonable and fair should be allowed to go through?

A. Yes, sir.

Q. Did you or not know how many needy families were on the applications from among the various counties in West Texas that were in need and were reasonable and correct?

A. I do not know. I think that all of those original applications are on file in your office, however, I did not give them to your office.

Q. The originals are not on file in my office, but I have copies of them sent me by the R. F. C. And your report indicates that for the months of March and April there are in the 134 counties in your district a total of 154,305 needy families, and 89,885 non-family persons, and dividing that by 2, and using the factor of 4.8, indicates a total of needy persons, destitute unemployed in those 134 counties of 415,000 plus for each of those months; the records show that many families were certified to the R. F. C., at Washington as being

destitute and unemployed in your territory; and you approved that many people as being destitute and unemployed in that section of Texas?

A. I do not think so. I did not think that it amounted to that much.

Q. If the records show that that many families were certified to the Reconstruction Finance Corporation at Washington as being destitute unemployed people in your territory, then you approved that many people as being destitute and unemployed in your territory, did you not?

A. I don't think so. I do know this, in the March and April applications, through the cooperation of ourselves as the Governor's representatives and the Reconstruction Finance Corporation representative, that the total amount that the political subdivisions applied for, that is the total approved for recommendation to the Governor was only a little over half of the amount that the political subdivisions applied for; I do know that.

Q. I am not talking about what they applied for but what they got and the basis on which it was issued. If the records show that there were that many families approved and submitted to Washington, then you approved them, didn't you? If the records show that?

A. We approved the recommendations that the Governor made and we prepared the recommendation for the Governor to get the March and April money.

Q. Well, you know the only basis the Reconstruction Finance Corporation had to go on, the reason you were handling these funds, was to advise the Reconstruction Finance Corporation with respect to local conditions, wasn't it, as to the extent of the need, one of the principal reasons?

A. Yes, to help them prepare their applications and advise them with reference to local conditions but we didn't go out and count all the families.

Q. You didn't count them and didn't know who you had?

A. No, we took the committee's report.

Q. Without revisions?

A. We revised them down, cut them in two, there was lots of revision.

Q. The revision, what finally

went in, represented your idea of the needy families?

A. It was left with the Reconstruction Finance Corporation representative.

Q. What is the population of those hundred and thirty-four counties out there approximately?

A. I couldn't give it to you without looking it up, about 35 per cent of the population of the State, I think.

Q. That actually figured 36 per cent of your total population. Now, Mr. Bandeen, you said that nearly all of the time of your staff was devoted to this work while you were doing the work yourself, didn't you?

A. Yes, I did and extra help too.

Q. What did your staff consist of; how many people at that time did your staff consist of?

A. Well, it consisted of personnel in the branch office in Fort Worth, branch office in Plainview, publicity man, traffic man and from three to five in the headquarters office.

Q. How many altogether, fifteen?

A. Well, I didn't count them; let's see; four, five, six—I guess nine would be an average.

Q. And how much additional help did you have?

A. We had to employ additional clerical help on a day basis particularly when the applications were being assembled and for a while we employed over and above our regular staff Mr. Boley as a field representative.

Q. You had twelve or fourteen people then engaged in this work at that time?

A. Not all the time, no. My traffic manager naturally didn't work much at it; the publicity man did some work on it, the Fort Worth office did some work on it.

Q. What I mean, that was the major activity, I thought that was what you testified?

A. Yes.

Q. You did not make any audits, detailed audits, at all, did you?

A. No, sir.

Q. And you had one trouble shooter for 134 counties; he didn't have a chance to get down in many of those counties?

A. No, sir.

Q. Only where you happened to hear about something wrong?

A. That is right.

Q. As a matter of fact while you had twelve or fourteen people pretty largely engaged in this work, yet you did not prepare any detailed audits by counties nor did you have anything like adequate field supervision, did you?

A. Well, I don't know the money got distributed; the money—

Q. Got spent?

A. It got spent, yes.

Q. The reason I am bringing that out, I am trying to arrive at the number of people it takes to do this job. You had about a third of the State and you were not doing any auditing or any field work. I don't mean to be critical; I am trying to arrive at the number of people it takes to do the job for the information of the committee, and your work represented about one-third of the State. You know a good deal about accounting, I know you are not an accountant. It takes a lot of man hours for the expenditures of the county relief committee, whatever you call it. It is a pretty big job, so many hundreds of thousand of accounts to check over. In distributing these funds within the counties you used organizations that were already there and that was the Community Chest and United Charities where they had such organizations?

A. Well, Colonel, we used an independent committee responsible to the Governor representative of the various welfare agencies, but the money was distributed by the independent committee representative of the welfare—whatever organization they had—and a great many of the communities naturally used the personnel which was already employed by some of the other organizations.

Q. They simply turned over in many cases the funds they got or a certain part to the Red Cross or United Charities or some of those other organizations?

A. No, that wasn't done because—that is I won't say it never was done, it might have been done—it was against our policy to turn it over to the Y. M. C. A., or a charitable organization. It was to be distributed by an independent committee but they were to utilize the services of these organizations in distributing it.

Q. I know you didn't know; in many many cases it was done. You don't know what it cost these organizations to do that work and there is no way of getting that information?

A. No, no.

Q. Do you know why the exception was made of Brewster County, it wasn't included in—why it was separate from the other counties?

A. Well, of course El Paso and Brewster Counties were the first counties, I believe, in the State to avail themselves of this fund, and when Dr. Kelso came down here he personally made the canvas, I believe, of those two counties and they, I believe were the first two counties to receive this money.

Q. You haven't made a study enough of this thing to know what administrative expense we might expect within the counties, have you, Mr. Bandeen?

A. No, I haven't studied it that far.

Q. However, you know that if you had been required to audit all of those counties that were in your territory out there in detail and required to make up reports that would have permitted real accounting, it would have been a pretty big job on you, wouldn't it?

A. Oh, yes.

Q. Doubled or tripped your work?

A. Yes, if you make a complete audit; I just don't—those were responsible folks, very responsible; I didn't feel like auditing people like A. J. Swenson.

Q. But as a matter of fact that is good business practice to audit receipts and disbursements?

A. Yes, sir.

Chairman Purl: You may stand aside.

Senator Woodward: We have a witness here I think we will get through with in a few minutes. Mr. Long, please come around.

William Robert Long, Jr., having been duly sworn by the Chairman to tell the truth, the whole truth and nothing but the truth, testified as follows:

Senator Woodward: What is your name?

A. William Robert Long, Jr.

Q. Where do you live?

A. Austin, Texas.

Q. Do you occupy any position with the American National Bank?

A. I do; I am a bookkeeper.

Senator Martin: Just a minute, Mr. Chairman. I am going to at this time raise a point of order with reference to any further testimony with reference to the personal affairs of Jim Ferguson being brought into this investigation. This investigation was started here under a resolution for the purpose of determining the best way possible to disburse or to use the twenty million dollars to be voted by this Legislature or any amount of it that might be voted by this Legislature, and to go off then on side issues and discuss the private affairs of even the Governor herself while in this investigation in my mind is improper. It could not be of any advantage whatever to this Senate or to the House in arriving at a proper solution of the questions that we have at issue here at this time; it is not germane to the resolution or any part of the resolution and could not under any proper rules of procedure be brought in here. Now the other day when the other witness was brought in here the witness testified while I was out of the room or was testifying when I came back into the room. I was out for some purpose—I don't know what—and when I got back he was testifying. At that time I could see the testimony was not material but hated to object because I did not enter before the witness began testifying.

I am here today and I feel that it is my duty inasmuch as I am here to raise this point of order; to come here with insinuations and innuendos with reference to the private transactions of Jim Ferguson should not be permitted to come into this record at all. Now they might say he presided a time or two over the meetings of a State board, while the record shows he has never at any time suggested any matter of procedure, any mode of procedure in the dispensing of the funds, but merely went there at the instance of the Governor to preside there as ex-officio chairman of the board; no vote and no right to vote. No propositions of any kind coming up there and we are undertaking here to follow up a bit of testimony with reference to a black book, which might

have been a white book or a red book or some other colored book, which was kept occasionally in a safe, occasionally on a table and occasionally in a desk, in which certain entries were made and certain notations were made by Jim Ferguson. In addition to that the investigation of a private lock within a lock of a safe. If that is any crime I have been committing one all my life. The understanding is that the book has been in use since 1925 or 1928. The next was a deposit of currency in the bank by this agent of Jim Ferguson's. There is no testimony showing that it was given to him behind a telephone post or in a dark alley. It was handed to him and deposited in the regular routine of business in a regular manner and to stop the investigation we are in today, to stop the investigation here where the people of the State are concerned and go back and investigate the private affairs of any individual to my mind is perfectly ridiculous. I will not question or challenge the motive of the gentlemen who brings the testimony in here. I do say this, to my mind it is foolish and will divert the mind of the Senate and of the people from the question at issue here and cause them to turn off and undertake to condemn some man whose private affairs here has nothing to do with what we have under investigation. I respectfully submit that the testimony is not admissible and should not be permitted to go in this record, today, tomorrow, or any other time.

Senator Small: Mr. President, the matter was presented to the committee in appeal from the ruling. The Chair was sustained as I remember, 18 to 3, showing that the testimony was in the opinion of the committee material, competent and relevant to the issue involved. My talk with this witness has been casual; I do not know the details of what he will have to say, but I take it the witness would corroborate the testimony that came in the other afternoon that the Senate ruled was material. That is the purpose for which he is placed upon the witness stand and as I remember it the Senator from Hill voted against the admissibility of the testimony; I think that was correct, but the committee seemed to think that it was admis-

sable and we would like to follow that up.

Senator Martin: Just a moment, the question as I remember it was as to whether or not testimony would be printed in the record.

Senator Woodward: No, sir, the admissability of the testimony as I remember it; the record would be the best evidence.

Senator Small: We think the testimony is very material because it takes very little foresight to see that the county committee have no control over the county administrator and the State Committee has no control over the State Administrator, and the whole thing is administered by one person the de facto Governor of the State of Texas, and his private conduct with reference to the handling of money is certainly a very material issue. I do not care to discuss the proposition in as much as the Senate already ruled on it and the testimony is already in and we think it is very material.

Senator Sanderford: The motion was made that the Chudej—the motion was made that the Ferguson testimony throughout be expunged from the record; it was not discussed from the point of admissability but that the matter be expunged from the record, which in my opinion should have been done. For us to bring that matter in here under the conditions it was brought in has brought more condemnation and more shame than anything which has happened since I have been a member of this honorable body and to continue it would bring additional dishonor upon the body. The people of Texas are very muchly condemning the procedure conducted the other day because as it comes out it has come with no substantiating fact and I know there has been more or less association with that slimy, double-crosser they had the other day since he was on there. I know about the association, I knew what they were fixing to do and I knew this further that in the Steering Committee here that the ones directing that Steering Committee are the leaders against the present administration, and the Chair has been listed as one against the administration. In other words I know you've got the team and the umpire but with all that you can't win, and

I appeal from the standpoint of the Texas sportsmanship that nobody appreciates stepping into the ring and hitting under the belt. They boo any man who does it. That has been done here once and it should not be done again. In the name of the honest citizenship of Texas I boo you in the presence of this body when you try to strike under the belt again. Now, Mr. Purl, this is a different question to the one that was made the other day. The other was a motion to expunge. This question today is a point of order on admissability. I appeal to the Chair to rule that it is not admissable.

Senator Small: I overlooked all that reference to the gentlemen's boos because nobody cares about them and they naturally expect him to boo. The testimony is offered in good faith and if it is untrue the witness stand is open to them and I challenge them now to bring them on and show the testimony is not true. If there is any double-crossing or double dealing you ought to be able to show it and you will have the opportunity to prove it. If you want to countenance and protect one who carries money in his pocket out of the Governor's office it is your privilege. Nobody is trying to cover up anything and we are willing for everything to be brought to light. I want the light to be turned on and hit whoever it will. If you want the de facto chairman of the committee to carry on the conduct that the first witness has shown, if you want that to go unnoticed in Texas it is your responsibility and not mine. If it is not true he ought to be able to account for every dollar. There is no secret about it; I am sure of that. There is no aspersion about it; it is a pure, innocent transaction I am sure you can explain from the witness stand by your witness, and he can account for every dollar. Ample time will be given to him and every right even to claim his constitutional immunity not to testify if he wants to do it. I certainly believe the testimony is material.

Chairman Purl: Senator Woodward, what do you intend to prove?

Senator Woodward: Prove the deposits in cash as testified by Mr. Chudej; in other words we are going to corroborate Mr. Chudej.

Senator Martin: Suppose they do

corroborate the gentleman who testified the other day, when they have corroborated him, even though big, broad headline was used to hand it out to the world, just what have they corroborated? Corroborated the fact that Jim Ferguson had a little black book. They wanted to make it bad by saying it was a black book—corroborate that one thing, a black book in which he kept certain notations and certain marks he made in it. There was no secret about the book; part of the time it was on the table and part of the time on his desk. Where is the crime about that? Next that he had a locker within a locker. That is no crime because if it is I have committed one and practically every lawyer in the State who maintains and keeps a reputable law office has been doing the same thing. With reference to the deposit, there has not been a living human here to deny a thing on earth that that witness testified to but the challenge was laid down through the columns of the press. If this Senate or this Legislature wanted to prefer any charges against Jim Ferguson let them do it under oath, come out in the open and lay down their charges and make proof of it. Is it right to come in here and throw in some insinuations. The only things they have are insinuations and suspicion, thrown them in there and challenged the man to come in here and show his innocence. They as lawyers know that is not right. They know before any man is called in to any court, and this is a court, and answer to any charge there should be specific allegations made and issues drawn. They are undertaking to bring in suspicions here to cloud the issue and divert the mind from the real issue that has been assigned at this time. I want to state to the Chair that I believe that his mind is as fair as any man I ever knew and I believe he honestly undertakes to see to the bottom of every thing that is brought in here and decide it without fear or favor. I know when you have studied this matter here you will consider the issue that has been raised under the resolution regardless of what has been brought in or what has not been brought in and consider the fact that there has

been no denial of any testimony brought in by Chudej. If they have got any complaint to make let Jim Ferguson make it, don't bring in another here to cloud the issue.

Senator Martin: I feel that the Chair in the name of reason, in the name of the people of this State and the issue that we are now investigating, will hold with us and sustain our point of order that this testimony is not admissible:

Chairman Purl: The witness Long was brought here under subpoena of the chairman after Senators Martin, Woodward, Rawlings, Murphy and Small had asked that he be brought in. They are the committee appointed to direct the testimony here. The testimony here a day or so ago by one witness, Chudej, was objected to and an appeal taken from the ruling of the Chair when he ruled that the testimony of that witness was admissible, and the Chair was sustained in his ruling. This witness is brought in here now for the purpose of giving further testimony along the same line in regard to the bank deposits, as an official of the bank, and the Chair will hold that this testimony will be permitted to go into the record. The objection is overruled.

Senator Martin: We want to raise the point of order, another point of order that there is not a quorum here.

Chairman Purl: The Senator from Hill raises the point of order that there is no quorum present. The Chair will hold that it takes 21 members to make a quorum.

Senator Poage: Mr. Chairman, I move a call of the Committee of the Whole Senate for the purpose of securing a quorum—

Chairman Purl: The gentleman from McLennan moves a call of the committee for the purpose of securing a quorum. All persons who are not members of the committee will retire from the hall. After they retire, the Sergeant-at-Arms will close the door.

Senator Martin: Mr. Chairman, I now move as a substitute that the committee recess—

Chairman Purl: You cannot now make a substitute motion until we determine whether or not there is a quorum present—there is another

motion pending before the committee and we are going to dispose of that first—just as soon as we dispose of that, just as soon as we determine whether there is a quorum—there is a call on now—

Senator Martin: Mr. Chairman, will it be proper at this time that the committee recess?

Chairman Purl: Senator, we are now trying to determine whether or not there is a quorum present for the transaction of business—just as soon as that is determined we will go into these other matters—

Senator Poage: May I inquire how many Senators are out of town?

Chairman Purl: Let's all get seats and maintain order and decorum. The Chair is not going to get excited no matter what is said one way or the other.—Will the Sergeant-at-Arms close that door?

Chairman Purl: Now the first question to decide first is to call the roll—

Senator Martin: Mr. Chairman, I want to raise the point of order. On this question with reference to the call—The Senate committee sitting as a Committee of the Whole, has got no power to put on a call and lock the doors. It is not a question of whether or not we are operating as a Senate but as the Committee of the Whole—

Chairman Purl: I believe that we can send out and require the attendance of committee members in order to get a quorum—I believe that we have plenty of precedents to justify that, and the Chair will interpret the rule that with an ordinary committee if they can do that, and I know that has been done over in the House, when a committee of the House was sitting they did not have a quorum and a call was put on to force a quorum—the point is respectfully overruled—

Senator Martin: Can the Committee of the Whole put on a call of the Senate?

Chairman Purl: We will first determine whether or not there is a quorum present—

Senator Martin: I believe that the Committee of the Whole—that the Senate recessed until 11:30 and the Senate stood adjourned until Monday—

Chairman Purl: The motion is

made by the Senator from McLennan that the call of the committee be put on for the purpose of securing a quorum until this question has been finally disposed of—the motion was properly seconded; the only thing that we can do now is to determine whether we have a quorum and then we will proceed with the business before us—

Senator Martin: A point of parliamentary inquiry—Do you mean until we can settle this question which is now under consideration—What question is it—I would like to know what it is that I am voting on—whether the question that we are now investigating is settled or until the witness who is now on the stand is disposed of—which is the question before us—

Chairman Purl: The question is whether or not the Committee of the Whole Senate shall put on a call until the matter of the witness now before us is disposed of—The first question is to determine whether or not the committee will put on a call for the purpose of securing a quorum—that has already been determined—now the question is as to the duration of the call—

Senator Poage: The motion is until we dispose of the testimony of this witness now on the stand—

Chairman Purl: Are you ready for the question—

Thereupon the question was taken and the motion prevailed with the secretary announcing the vote as being 18 yeas and no nays, with one present—not voting.

Chairman Purl: The call is on.

Senator Martin: I raise the point of order—18 yeas and one present—not voting makes only 19.

Chairman Purl: But a minority can force the attendance of the majority. That is one purpose of the call. I think that we ought to have a quorum here—the matters involved here are of such a nature that we should have a quorum here at all times while this investigation is going on, and when we do not have a quorum I think we ought to stop until we get one—

Senator Martin: Mr. Chairman, I want to raise an additional point of order, with all due respect to the ruling of the Chair, I do not recall that the resolution passed by this

Senate does not call for any investigation into the affairs of and business of C. C. McDonald. Now, if the Senate please, I want to call attention to this. That the issuance of subpoena and having a witness come here under that process is not a question to be considered in the determination of whether or not this testimony is admissible. I presume you know that in the trial of a law suit, you never know whether you are going to need a witness that may be subpoenaed or not—it all depends on the testimony as developed in the trial of the case—as to whether that testimony would be admissible is for the court to determine—and its admissibility would be determined by the testimony that might be put on by the other side. Now, I want to make one other observation with reference to the personnel of the Governor's office. As long as the people of the State of Texas, as long as the members of this Legislature undertakes to enact laws, to meet the likes or dislikes of the personnel of a department, we will have unsound laws based upon unsound governmental policies—

Senator Woodward: I make this statement, if the Chair please. This testimony is not going to embarrass C. C. McDonald. We are not going to inquire into his private affairs at all. C. C. McDonald would be willing to have the world know exactly what we are going to prove. We expect to prove by this witness that Mr. Chudej testified that a part of the cash deposits were made at the instance of Mr. McDonald to the account of Governor Ferguson, James E. Ferguson, and not in the name of Mr. McDonald.

Senator Martin: We object to those accounts.

Chairman Purl: The Chair will hold that in abeyance for the time. When we get to that testimony, you can renew your objection, Senator Martin.

Senator Martin: What was that?

Chairman Purl: I will rule on it when we get to that testimony pertaining to C. C. McDonald.

Senator Woodward: Mr. Long, I believe you testified awhile ago that you live in Austin and I asked you if you held any position with the

American National Bank in the city of Austin. What position do you hold, Mr. Long, with the American National Bank?

Mr. Long: I am bookkeeper.

Q. How long have you held that position?

A. Eight years.

Q. You are familiar with the accounts carried on the books of that bank?

A. Yes, sir; absolutely.

Q. Are you acquainted with the method of deposits that are made?

A. I am.

Q. For all deposits made, is there an original duplicate deposit slip retained by the bank?

A. Yes, sir.

Q. And from that deposit slip do you make any entries on the ledgers?

A. Yes, sir?

Q. Are they carried forward to the ledgers from the deposit slips?

A. Yes, sir.

Q. And is that the method and manner you have for obtaining information in regard to amounts deposited and carried to the ledger?

A. Yes, sir.

Q. Have you a copy of the bank's ledger sheet of the Bosque Creamery account beginning with January 4th, this year, and ending September 1st, this year?

A. I do.

Q. Have you that in your possession?

A. Yes, sir.

Q. Have you in your possession any of the deposit slips retained by the bank showing the deposits made on the various dates?

A. I do.

Q. Have you a deposit slip dated January 4, 1933?

A. I do.

Q. The deposit slip which you have, does that indicate whether the deposit was cash, checks or currency?

A. It does.

Q. I mean in currency or by checks?

A. The checks are separate from the currency.

Q. Mr. Long, will you let me have your memorandum? No, I don't expect I could use it. I think I can interrogate you from this.

Chairman Purl: He said he didn't want it.

A. I have got the deposit slips.

Q. Let me have those, please. What does the deposit slip for January 4th show as to the amount of currency deposited on that date?

A. On January 4th, there was \$212.00 worth of currency; there was \$3.75 in silver; a \$100.00 check; making a total of \$315.75.

Q. Was there any addition on that particular one, any correction made?

A. Yes, sir, there was \$20.00, it was listed as 232.00, it was \$20.00 short when it got to the bank. There is a correction on there.

Q. Have you the deposit slip for January 11th?

A. I do. I have \$43.00 worth of currency, \$13.70 worth of silver, one check for \$25.00 and one check for \$300.00.

Q. All right. The 13th.

A. In the 13th, I have currency \$200.00 and a check for \$168.90.

Q. On the 21st?

A. It was \$584.00 worth of currency, \$11.70 silver, \$2.00, \$150.00, \$150.00 and \$1.00.

Q. The 27th?

A. There was \$52.00 in currency \$7.00 in silver, there were checks for \$1000.00, \$15.00, \$1.75, and \$1.85.

Q. What name appears opposite the \$1,000.00 check?

A. J. G. Pundt; P-u-n-d-t. It is made payable to James E. Ferguson and endorsed over to the Creamery.

Q. February 4th?

A. \$396.00 worth of currency, \$16.00 in silver, checks \$25.00, \$2.00 and \$5.00.

Q. February 8th?

A. \$363.00 in currency, \$14.49 in silver.

Q. February 16th?

A. \$49.00 currency, \$16.70 silver, checks \$1.50, \$5.00, \$7.22, \$3.75, \$5.00, \$150.00, \$514.21.

Senator Stone: What account is that, Mr. Long?

A. Bosque Creamery.

Senator Woodward: Have you the deposit for February 15th, probably that would be the 16th, Mr. Long; look at the 16th.

A. Yes, sir, that is the 16th that I have just called off to you.

Q. The 16th, yes.

A. \$746.16 is the total of the deposit slip here.

Q. Now, have you one for February 22nd?

A. We have it here as the 23rd.

Q. All right, I was going to ask you if you had one for the 23rd.

A. \$290.00 currency, \$5.40 silver, checks \$170.00, \$10.00 and \$2.00.

Q. Have you any for March 1st?

A. No, sir, I don't.

Q. March 3rd?

A. Senator Woodward, those dates there are according to that sheet there.

Q. Are what?

A. According to that sheet. These that I am calling off.

Q. I am asking you about March.

A. The ones I have are for March. The next is March 14th.

Q. Wait just a minute. We will skip that for the present. Let us get to April, April 1st.

A. \$21.00 currency, \$4.88 silver, checks \$6.17, \$2.00, \$1.00, \$3.00, \$5.00, \$20.00, \$1000.00.

Q. What is that \$1000.00 check?

A. A check of Mr. J. G. Pundt.

Q. April 11th?

A. Currency \$1000.00, \$5.19 silver, checks \$20.00, \$248.25, \$5.00.

Q. April 17th?

A. Currency \$258.00, silver \$3.55, checks \$5.00, \$1.00, \$16.00, \$10.00 and \$25.00.

Q. 22nd?

A. Currency \$120.00, \$86.00 silver, checks \$5.00, \$6.00 and \$5.00.

Q. What was that on the 22nd?

A. \$20.00 currency, \$86.00 silver, \$5.00, \$6.00 and \$5.00 checks.

Q. Have you one for the 20th there?

A. No, sir.

Q. You don't have one for the 20th?

A. No, sir.

Q. The 25th?

A. \$36.00 currency, \$4.50 silver, checks \$7.94, \$2.08, \$6.00, \$2.20 \$70.75.

Q. 26th?

A. Currency \$24.00, silver \$7.63, check \$14.50.

Q. How much of that is currency?

A. \$24.00.

Q. Have you one for the 25th there?

A. Yes, sir. \$36.00 currency, \$4.50 silver, checks \$7.94, \$2.08, \$6.00, \$52.20, \$7.75.

Q. May 2nd?

A. \$217.00 currency, \$5.75, \$13.00 check.

Q. May 4th?

A. \$326.00 currency, 20c silver.

Q. May 8th?

A. \$477.00 currency, \$4.35 silver, checks \$25.00 and \$5.00.

Q. May 11th?

A. May 11th is a check for \$597.90.

Q. Whose check?

A. The Evans Snider Jewel Company.

Q. Is there any currency on that date?

A. No, sir.

Q. Have you got the 10th?

A. I think the 8th was the last. The 8th and the 11th.

Q. You don't have the 10th?

A. No, sir.

Q. The 29th?

A. \$300.00 currency.

Q. June 2nd?

A. \$292.00 currency, checks for \$3.75 and \$6.00.

Q. Have you got May 29th?

A. \$300.00 currency.

Q. June 2nd, you gave that one just now.

A. Yes, sir.

Q. June 11th, June 12th?

A. \$1018.00 currency, silver \$8.15 checks \$25.00, \$10.00, \$1.00, \$196.80.

Q. The 19th?

A. \$1017.00 currency, silver \$7.40, checks \$2.00, \$3.00 and \$25.00.

Q. June 26th?

A. \$600.00 currency.

Q. June 27th?

A. \$1100.00 currency.

Q. July 3rd, maybe it is the 4th, I don't know which it is in your records—July 3rd.

A. I have currency \$534.00, silver \$662.00, checks \$40.00 and \$6.58.

Q. July 5th?

A. Currency \$354.00, \$7.03 silver, \$125.00 check.

Q. July 6th?

A. \$104.00 currency, \$4.13 silver, checks \$3.25 and \$8.00.

Q. July 7th?

A. \$1022.00 currency, \$4.15 silver and a check for \$8.45.

Q. July 18th?

A. \$452.00 currency, \$10.73 silver, \$75.00 and \$10.00 checks.

Q. July 20th?

A. \$229.00 currency, \$11.24 silver.

Q. The 21st or maybe it is the 22nd?

A. The 22nd. \$227.00 currency, \$15.63 silver, checks \$3.00, \$2.50 and \$10.45.

Q. July 28th or 29th, I don't know which?

A. Currency \$320.00, silver \$6.37.

Q. August 8th?

A. \$35.00 currency, \$18.15 silver, checks \$210.90, \$1.00 and \$1.00.

Q. I made a mistake there, it will be August 10th.

A. \$150.00 in currency.

Q. August 17th?

A. \$312.00 currency, \$13.78 silver, \$1.00 and \$5.50 checks.

Q. August 29th?

A. Currency \$40, silver \$10.51, checks \$5.00, \$2.31, \$45.10.

Q. September 1st?

A. Check for \$100.

Q. What is that check?

A. New Orleans, Texas & Mexico Railway Company.

A. Senator Martin: Whose check please?

A. It is the New Orleans, Texas & Mexico Railway Company.

Senator Woodward: Well, that is all as to that account. Will you turn to the Forum account, the Ferguson Forum account?

A. Yes, sir.

Q. Have you got the other sheet?

A. Yes, sir.

Q. Let us have it, please? Have you the deposit slip for January 16th?

A. Yes, sir, two checks for \$250.00 making a total of \$500.00.

Q. Two what?

A. Two checks for \$250.00 apiece.

Q. Who are those checks by?

A. A. C. Butterworth.

Q. January 21st?

A. \$500.00 currency, \$5.00 silver, checks \$1.50 and \$1.00.

Q. March 11th—March 14th?

A. Checks \$16.00, \$16.00, \$21.00, \$63.00.

Q. There is no cash on that?

A. No cash.

Q. Have you March 11th there?

A. No, sir, I don't.

Q. May 20th? Look at May 20th.

A. Currency \$450.00, \$1.50 check.

Q. Have you May 26th or May 28th?

A. Checks for \$1.50, \$1.50, \$4.50, \$2.50, \$1.50, \$37.50, \$75.00, \$5.00, \$44.10.

Q. Any currency of the 28th?

A. No.

Q. Have you a deposit slip for the 26th?

A. No, sir, not for the 26th.

Q. June 20th?

A. Currency \$200.00.

Q. The 22nd?

A. Currency \$300.00.

Q. July 24th?

A. \$250.00 currency.

Q. July 31st?

A. Checks \$63.00 and \$200.00.

Q. August 8th?

A. Currency \$455.00, checks \$43.45.

Q. August 10th?

A. \$100.00 currency, check \$33.60.

Q. How much currency?

A. \$100.00.

Q. August 12th?

A. Currency \$100.00, checks \$10.00, \$5.00 and 50c.

Q. August 17th?

A. Currency \$200.00, check for \$100.00.

Q. August 25th, have you any for that date?

A. No, sir.

Q. Look at August 29th and see what you have.

A. I have \$1.50, \$33.60, \$1.10, \$344.70 and 70c, all checks.

Q. That is the 29th?

A. August 30th.

Q. That is what, August 30th?

A. August 30th. The total is \$381.60.

Q. Look at August 31st.

A. I don't have that one.

Q. You don't have that. All right, do you have one for August 26th?

A. No, sir, I don't.

Q. In addition to these specific items I have called off, there were numerous other deposits that we have not called for?

A. Yes, sir.

Q. Have you the totals of that?

A. I have the total amount of business since January 1st up to the 1st of September; it is on the bottom of that sheet.

Q. Shall I read it to you?

A. Yes, sir.

Q. "\$22,774.14."

A. Yes, sir.

Senator Woodward: Mr. Chairman, we are now going to interrogate him about the McDonald matter. If he wants to raise an objection to it—

Chairman Purl: The matter you are going to interrogate him about is the same that went into the record last week?

Senator Woodward: Before we get to that. Have you the total of the Creamery account?

A. Yes.

Q. Shall I read it to you?

A. Yes, sir.

Q. "Total \$43,896.58."

A. Yes, sir.

Senator Woodward: Now, Mr. Chairman, on reading the testimony of Mr. Chudej, as I recall it, he said, I think, that on three occasions he had deposited at the instance of McDonald, to the account of Ferguson, currency which had been delivered to him by McDonald. We want to identify those, I think there are three; I believe that is correct.

Chairman Purl: That is all you want?

Senator Woodward: That is all.

Chairman Purl: All right. Do you want to be heard on that Senator Martin? (No response interposed.)

Senator Woodward: Have you—

Chairman Purl: Just a minute. Senator Martin—he is busy at this minute.

Senator Martin: That is all right go ahead.

Chairman Purl: I will rule that it can go in in conjunction with the sheet that went in last week.

Senator Martin: You say in connection with the testimony last week?

Chairman Purl: Senator Woodward stated, as I understand him that Mr. Chudej read into the record some memorandums he had concerning a special account of Mr. McDonald who was chairman of the repeal forces at that time.

Senator Martin: I don't think it was last week.

Senator Woodward: Mr. Chairman, you said "last week." I think you meant a few days ago.

Senator Martin: I misunderstood. I don't remember any testimony last week.

Senator Woodward: Have you any

account there, Mr. Long, of C. C. McDonald?

A. C. C. McDonald, Chairman, F. J. Chudej, Treasurer.

Q. Have you a deposit slip for July 3rd?

A. Yes, sir.

Q. Describe it, please.

A. \$229.00 currency, checks \$1.00, \$5.00, \$1.00, \$21.00.

Q. August 8th?

A. Currency \$103.00, checks \$5.00 and \$4.00.

Q. August 12th?

A. I don't have one for that.

Q. Have you one for the 13th?

A. No, sir.

Q. What is the nearest date to the 12th that you have one?

A. The 16th.

Q. What was it?

A. \$200.00.

Q. That makes how much, that I have interrogated you about, \$400.00?

A. \$400.00, yes, sir.

Senator Woodward: I believe that is all.

Chairman Purl: Any further questions by any member of the Steering Committee? Senator Martin, do you have any questions?

Senator Martin: I have no questions.

Chairman Purl: If there are no further questions, you may stand aside and be discharged. (No question interposed.)

(Witness excused.)

Chairman Purl: Who will you have next? What is the pleasure of the committee?

Senator Stone: Mr. Chairman.

Chairman Purl: The Senator from Washington.

Senator Stone: I move that we recess until about 2:30 or 2 o'clock.

Chairman Purl: Recess until 2 o'clock. Does the Senate want to work this afternoon? Are you ready for the question?

Senator Martin: Will the Senate indulge me. There is one man here from Lipscomb County, Mr. Latimer. I would like to put him on and let him testify. It will take just a very few minutes.

(There was some discussion had at this point with reference to the hour for reconvening the Committee of the Whole, whereupon the following proceedings were had):

Senator Woodward: Mr. Chair-

man, I move that we hear this witness.

Chairman Purl: The Chair will ask that everybody withdraw their motions and that we let this witness come around and testify at this time. (No objection interposed.)

Senator Woodward: Let's take a straw vote to see if we are going to have—a sufficient number here to work this afternoon—

Chairman Purl: All those Senators who are able, willing and anxious to work this afternoon please indicate that by raising their hands—I see that fifteen are willing—Now are we going to work this afternoon. The Chair will hold that it takes a quorum—now then if only fifteen come here this afternoon we will not be able to work—Now seriously, gentlemen, the motion is whether we shall recess until two o'clock. Those who vote to recess will by their vote indicate that they will be here this afternoon—

Senator Martin: If it is agreeable, we have one witness here who has come a long ways, and I would like to use him before we recess until 2 o'clock—

Chairman Purl: Is the witness here—

Senator Martin: Yes, sir; and it will only take just a few moments to get through with this witness—

Chairman Purl: If there is no objection we will hear this witness—Let the witness come around and be sworn:

Thereupon, J. F. Latimer, being duly sworn to tell the truth, the whole truth and nothing but the truth, testified as follows on examination by

Senator Martin: Your name—please state your name to the committee?

A. J. F. Latimer—

Q. Where to you live, Mr. Latimer?

A. I live in Higgins, Lipscomb County, Texas.

Q. How long have you lived in that county?

A. Forty years I have lived there.

Q. What business are you engaged in?

A. I am a garage man at the present time.

Q. You lived there on about the 22nd day of September, 1933?

A. I did.

Q. Did you have occasion to go to Amarillo for any purpose?

A. What time?

Q. January 14, 1933?

A. Yes, sir. I had occasion to go there then.

Q. I believe that you filed an affidavit, you signed an affidavit that has been introduced in the record here, relative to what transpired at that time, and among other things it contains this statement: "Before the money was paid to us, we were taken into a private room and asked to take out memberships to the amount of \$160.00." Did that occur?

A. Yes, sir. Mr. Black, our county chairman, when he got this notice to come down and get this money for our county board—we had been down there in November, I believe it was, on notice of the West Texas Chamber of Commerce, and we did not get any of the money then.

Q. All the counties that were there except yours received the allotment at that time?

A. I do not know how many, but we did not receive any.

Q. Was anything said about why you did not get your allotment at that time?

A. Something was said but I do not know all the details. After dinner, I guess it was about two o'clock or maybe two thirty, they were calling in the various delegations, and finally they got to Lipscomb County. We went into the southeast corner room, and we were addressed by a Mr. Maury Hopkins, I believe it was, and he told us that the West Texas Chamber of Commerce was handling this fund, and that it would require quite of lot of expense to take care of this, and that they had prepared a quota for the different counties, and said our county quota was 16 memberships. Seven I believe from Higgins, and the others from different towns, and they were to be \$10.00 apiece. He asked if we were willing to take these memberships out. We told him that we would take out the memberships. After we had this conversation, we were conducted to

another room and Mr. Black was given a check or draft for \$2,000.00 to take care of our allotment, and he took a bond from Mr. Black for the faithful distribution of it. We came on back home, and I expect that Mr. Black can tell you more about that than I can—on the way back we were talking about this and seemed to think that it was all right. That is about all there was to it.

Q. Was it your understanding when you went over there that it was necessary for you to take out memberships in the West Texas Chamber of Commerce to get this Federal relief fund? Were you told that?

A. No, they did not say that—we were afraid that if we did not do that, in view of the fact that we did not receive any money for November and December, that we would not receive any Federal funds.

Q. But some others at the same time did receive their allotments?

A. Yes, sir.

Senator Woodward: At the time you first went over there, had you made request for any Federal funds?

A. I do not remember. Mr. Black, our county chairman, would know about that—I did not have much to do with that, but I know that he received a notice from them that the money would be distributed at that time—he asked me to go with him over there and some of the other delegations received their money at that time, but we did not.

Q. Do you mean to tell this committee that an official of the West Texas Chamber of Commerce held up the distribution of the money that was to be distributed to your county because you did not take out memberships in the West Texas Chamber of Commerce.

A. No. I do not know anything about that.

Q. You did not think that they would?

A. No, sir. I did not think a thing about it. Mr. Bandeen said that he was very sorry but that he would see that the allotments for those months were included in our next check in January.

Q. What I want to find out is—you do not mean to leave the impression with the committee that

those people high-pressured you, or made any threats, or intimidated to you that you were not going to get any Federal relief funds until you joined the West Texas Chamber of Commerce?

A. No, sir. Only this. That was one thing that caused us to suspect that we did not get our allotment of Federal funds before. No one told us that that was the reason, and I do not know whether that was the reason or not.

Senator Small: You made an affidavit about that.

A. Yes, sir.

Q. At whose request did you make that affidavit?

A. Mr. A. W. Elrod came over and asked me about that.

Q. Who is Mr. Elrod?

A. He was district representative for the R. F. C.

Q. He is handling the distribution of the—is he handling the distribution of the relief funds now?

A. Not that I know of.

Q. He was the district manager over that territory at that time? At the time you went to Amarillo?

A. Yes, sir.

Q. Under the supervision of this Austin office?

A. Yes, sir.

Q. Do you know how many counties he went to out in that territory to get these affidavits?

A. I know of none but our county. I do not know whether he went to any other counties or not—I only know of this one county.

Q. What other business did he have up there besides getting this affidavit?

A. He is in that district, and he comes around there about every two or three weeks.

Q. Just looking around?

A. Yes, sir.

Q. Do you know how many counties he covers?

A. I do not know. He told me that he covered a good many counties.

Q. But he was going around there and came to you to get this affidavit?

A. Yes, sir; he got it from me.

Q. What did he say to you about it?

A. He just came in and asked me about us getting our money and

asked me what we had done. I told him just as I have told you here.

Q. Did he say anything about who he had instructions from to get those affidavits?

A. No, he did not. Did not say a word about it.

Q. How long did he stay in your town—how long did he stay around there?

A. I suppose for an hour.

Q. As a matter of fact does not the county commissioners' court and the people generally in that county think that the West Texas Chamber of Commerce has treated them fairly in the disbursement of these funds and have done good work in making out the applications for this relief money so that your county could participate in it?

A. I believe that they feel that they were treated fairly. That is why we paid the membership in the Chamber of Commerce.

Q. You have been represented in the West Texas Chamber of Commerce for a good long time—that is, your town has been represented?

A. Yes, sir; we have been—we have had three or four members in the West Texas Chamber of Commerce for a good many years, and other towns in the county have also, I think.

Q. How much money have you had up there for relief work recently?

A. You mean for what month?

Q. Well, for September?

A. We had sixty dollars during the month of September.

Q. Do you have any cotton growing up there?

A. No, sir.

Q. Any wheat?

A. A little wheat.

Q. What per cent of crop did you have?

A. I think there was from one-third to a half crop of wheat, and cotton, there was none to speak of.

Q. Conditions have been very bad in your county?

A. Yes, sir.

Q. What is the population of your county?

A. About 4,500.

Q. And sixty dollars is all you received for relief work during the month of September?

A. Yes, sir.

Q. With 4,500 people you received sixty dollars for the month of September?

A. Yes, sir; that was for September.

Q. Do you remember how much for the month before?

A. I do not know how much came in for the month before. But taking it from the January allotment to the first of September, we received close to eleven thousand dollars for the eight months.

Q. Do you know why it was stopped in September?

A. No, sir; I can not tell you. They said that that would be enough.

Q. The crops have been harvested up there?

A. Not in that county. They said the reason was on account of giving the people an opportunity—a chance to pick cotton—that was the reason used—that was the information sent out generally all over the State.

Q. But your county is not a cotton county?

A. No, sir.

Q. They would have to go a long ways to pick cotton?

A. We have little cotton north of the Canadian River.

Senator Martin: Do you know how much money your county got for the month of August—As a matter of fact you got \$999.12 during the month of August?

A. I believe that is right.

Q. Do you know Mr. Latimer, that in that district there has been distributed—there has been a distribution of 37¢ per person, whereas in the entire State of Texas there has been an average of only 18 cents?

A. No, sir.

Q. Did you know that you have gotten \$1.24 per capita in that territory?

A. No, and I do not know what the others got.

Colonel Westbrook: You are the county administrator over there?

A. Yes, sir.

Q. What salary does he draw.

A. \$75.00 per month, and that includes use of his car in making trips over the county once a month.

Q. Who is the assistant?

A. I have no assistant. From

time to time I pick up someone who is on the relief roll and have them do some work.

Q. Who is Mr. H. P. Kuschinski?

A. He is on the relief roll and works in the office at times to work out his relief.

Q. How many days a month does he work?

A. What the thirty cents allowance per hour would amount to.

Q. The report here shows the administrator, shows you to be the administrator at a salary of \$75.00 per month, and Mr. Kuschinski to be the assistant at a salary of \$52.00 per month—is that relief work?

A. That is relief, because Mr. Elrod told me that he was to be put on and that I was to pay him 30 cents an hour.

Q. Then the expense of running the office is more than the relief for July or August?

A. Not in July and August.

Q. Well, in the month of August?

A. No.

Q. What was it you said?

A. I said that we received for the month of September \$60.00, that was what I said; that was less than the amount of the salaries for that month.

Colonel Westbrook: I believe that you said Mr. Latimer that relief was stopped some time during August—September. That was in accordance with a letter that went out from our office that work relief was to be stopped?

A. Yes, sir.

Q. Did not that letter also state that you were to extend direct relief to any body that was not getting enough food, that was really in need, whether it was work relief or not?

A. Yes, sir.

Q. As a matter of fact, you were directed to give direct relief?

A. Yes, sir, whether there was anything for them to do or not.

Q. You have not turned away any people up there who were hungry?

A. No, sir. We have always taken care of those who came to us.

Q. Then as a matter of fact, you did not have any requirement for more relief funds that you have had available for you?

A. No, sir, we have been able to take care of them.

Q. You have not needed any more more money?

A. No, sir, we have had sufficient money to take care of them and sustain them.

Q. You had a balance left over from the month of August?

A. Yes, sir.

Q. Now, your understanding was that relief was to be limited to direct relief, on account of the general order sent out over the State, included all counties?

A. Yes, sir.

Q. Did you know or not that that order came from the Federal administrator—from the Federal Government that it should be cut off, that work relief should be cut off and that only direct relief should be given?

A. Mr. Elrod came to see me at that time and gave me some instructions.

Q. You are running and maintaining your office in accordance with the policies issued by this office?

A. Yes, sir.

Q. You have really spent more money than the sixty dollars?

A. Yes, sir. I have spent more, but I had it on hand left over from the other months.

Q. How much money did you spend during September?

A. I have not got out my report but I think that it will be between two and three hundred dollars.

Q. You have been able to properly extend relief to the hungry people who came to you for relief?

A. Yes, sir.

Q. You have not turned anyone away who was entitled to relief?

A. Not that I know of. We have been able to take care of them all.

Q. What do you think about the demand for relief during the month of October—what will it be?

A. I have not made an estimate of that—we have not compiled the records for the last month because I was called down here—and I expected to have that ready by the first of this month, but it was necessary for me to come down here, but I expected to have it ready by the 5th of September—that was my instructions.

Q. As a matter of fact while you only received sixty dollars during

the month of September, you have had no calls for relief that you have not been able to take care of?

A. That is right—

Chairman Purl: Any further questions of this witness. There being no further questions, the witness will be excused, and you will call at the Sergeant of Arms office and get your mileage and per diem.

Chairman Purl: I believe there are two witnesses here who have been subpoenaed, Mr. Lehmann of South Texas Chamber of Commerce and Mr. Harrison of the East Texas Chamber of Commerce—I do not know whether you are going to want to ask these gentlemen any questions or not—Colonel Westbrook, did you want to ask these gentlemen any questions—

Colonel Westbrook: I do not believe I do now—

Senator Hornsby: Mr. Chairman, I want to make a motion that we recess now until two o'clock—

Senator Poage: I want to make a motion that we stand at recess until 2:30 this afternoon.

Chairman Purl: The Senator from Travis moves that we recess until two o'clock this afternoon, and the Senator from McLennan moves that we recess until 2:30—

Senator ———: I move that we recess until eight o'clock tonight—

Senator Woodward: If that is done, that is going to make it necessary that we have these witnesses come back here Monday—

Colonel Westbrook: It does not make any particular difference to me—I had intended to use them, but I do not think that it will be necessary to require them to come back here Monday—

Chairman Purl: Now, we have three motions before us—one from the Senator from Travis that we recess until two o'clock this afternoon, another from the Senator from McLennan that we recess until 2:30 this afternoon, and another from the Senator from Bell that we recess until immediately after the morning call Monday—the longest time will come first.

All those in favor of recessing until immediately after the Monday morning call, will say I and those opposed will say no. (After the vote) The "nays" seem to have it—the "nays" have it.

Now we will put the next longest time: All those in favor of recessing until 2:30 this afternoon will indicate it by saying "yea" and those opposed will indicate it by saying "nay"—the "nays" seem to have it.

Senator Woodward: I move that we recess until 7:30 tonight—

The Chairman: The Senator from Coleman moves that we recess until 7:30 tonight—

Senator Sanderford: I move that we recess until 9:59 Monday morning—

Senator Woodward: I move that we stand at recess until 9:30 Monday morning—

Chairman Purl: Senator Collie, do you know of any other testimony that will be offered—Colonel Westbrook, do you know of any other testimony that will be offered—as far as I know, I have some matters that will take something like fifteen or twenty minutes—

Chairman Purl: The Senator from Bell moves that we stand at recess until 9:30 Monday morning—The Senator from McLennan moves that we stand recessed until 2:15 this afternoon—I am now going to have the secretary call the roll—all those in favor of recessing until 9:30 Monday morning will vote "yea" as your names are called, and those opposed will vote "nay." Thereupon the secretary called the roll, he announced the roll call as follows: 14 yeas, and 7 nays.

Chairman Purl: The committee will stand recessed until 9:30 Monday morning.

Monday, October 2, 1933.

The Committee of the Whole Senate met at 9:30 a. m., Monday, October 2, 1933, pursuant to adjournment, whereupon the following proceedings were had:

Chairman Purl: The Senate sitting as a Committee of the Whole will please come to order. What is the pleasure of the Steering Committee as to whether we start to work now?

Senator Martin: Well it might save time if we should stand at ease until after the morning call.

Chairman Purl: Senator Martin asks unanimous consent that we stand at ease until after the morning call in order to give the Steering

Committee a better opportunity to have their testimony ready. If there is no objection it will be so done.

Senator Hornsby: Senator Woodward and Small are here and they can probably put on some testimony and not lose this time.

Chairman Purl: There is an objection and we will have to wait.

Senator Rawlings: I move we stand at ease until the Steering Committee finds something to do.

Chairman Purl: The Senator from Tarrant asks unanimous consent of the Senate that the committee stand at ease until the Steering Committee finds something to do. Is there any objections? The Chair hears none.

Thereupon at 11:20 a. m., October 2, 1933 the following proceedings were had:

Chairman Purl: The Senate sitting as the Committee of the Whole will please come to order.

Senator Martin: I would like to ask Mr. Long a few questions please.

W. R. Long, Jr., was recalled to the stand and testified as follows:

Senator Martin: Mr. Long I have forgotten your initials.

A. W. R.

Q. You are the same W. R. Long who was on the witness stand Saturday?

A. I am.

Q. You are connected with what bank in the city here?

A. American National.

Q. Mr. Long, you testified here Saturday with reference to some various questions brought with reference to the Ferguson Forum Account in your bank, did you not?

A. Yes, sir.

Q. You were asked at the close of your testimony to give the total amount of money that had been deposited to the Ferguson Forum Account, which you did give, amounting to some \$22,500 did you say?

A. Yes, sir.

Q. You did not mean to convey the idea that that time that the Ferguson Forum at this time or at any one time had that amount of money on deposit to its credit?

A. No, sir.

Q. The Ferguson Forum Account is running just like it has been running for years?

A. The funds were deposited and checked out in the regular routine of business.

Q. At no one time did the Ferguson Forum ever have a considerable amount of money to its credit did it?

A. It would not be as much as \$22,000.

Q. Would it be as much as \$1,000 for any length of time at all?

A. I do not have the ledger sheets at this time, I am not in position to say, but the money was placed to his credit and checked out in the regular routine of business as bills came in the money was spent as he saw fit.

Q. The Ferguson Forum Account as I understand it has been running this year just the same as it always has?

A. His business has been just the same as it always has been.

Q. Now then with reference to the McDonald account you were asked about, how much money did you say was drawn to the credit of the McDonald Chairman Account?

A. Senator Woodward has those sheets. It is about \$1,680, he has the exact total there.

Q. \$1,680? \$1,618.20, that money was placed in the bank there to the credit of Mr. McDonald from July 3 to August 17?

A. Yes, sir.

Q. And he was State Chairman for the organization for the repeal of the Eighteenth Amendment in the State of Texas; you know that?

A. Yes, sir.

Q. And those funds were deposited to his credit and checked out by him or under his direction?

A. Yes, sir.

Q. Now, with reference to the Bosque County Creamery you say that forty-three thousand, five hundred and something dollars was deposited to the account of the Bosque Creamery? You did not mean to convey the impression that the Bosque County Creamery ever had as much as forty-three five hundred dollars to its credit in the regular routine of business?

A. No, sir.

Q. It was deposited and handled in the regular routine of business?

A. Yes, sir.

Q. You had one check from a man by the name of Pundt?

A. J. G. Pundt.

Q. You also have a check given by him, do you have a record there

to show whether check No. 1 was turned down by the bank and later on another check made out?

A. I have a thousand dollar check on April 1 of J. G. Pundt and January 29, 1933 check for one thousand dollars was placed to the credit of the Bosque Creamery.

Q. Given by Pundt?

A. J. G. Pundt, and then again on April 1, 1933 there is another check for one thousand dollars, according to these deposit slips.

Q. If that first check was turned down by the first bank, and returned to the bank, your record would show?

A. Yes, sir.

Q. Could you produce that book?

A. Yes, sir.

Q. And will you?

A. Yes.

Q. You have those other ledger sheets?

A. The copy you have before you is a direct copy of the account you asked for; we do not have the checks, all we have is a list of deposits.

Q. On the other account, the Bosque County Creamery and the Ferguson Forum, do you have those with you?

A. Yes, sir, they are in possession of Senator Woodward.

Q. With reference to the Bosque County Creamery, Mr. Long, you went over certain items, certain duplicates last Saturday and you then testified as to the total. The duplicates you brought are not all the duplicates or deposits made to the credit of the Bosque County Creamery, are they?

A. No, sir.

Q. As a matter of fact that institution made sometimes as many as two deposits a day?

A. Yes, sir.

Q. Austin was the wholesale distributing point for the products of the Bosque Creamery?

A. Yes, sir.

Q. And they frequently made as many as two deposits in one day?

A. Yes, sir.

Q. In practically every instance there was cash that came along with each deposit?

A. Yes, sir.

Q. In varying amounts?

A. Yes, sir.

Q. How came you just brought certain duplicates with you?

A. As I understand, it was all the committee wished for and I was instructed to bring the duplicates I have here.

Q. Did anyone else here instruct you to bring these and none others?

A. No, sir.

Q. The man that summoned you, Mr. Holt, was it?

A. Yes, sir.

Q. Did he tell you to bring these duplicate deposits and none others?

A. Yes, sir.

Q. The Bosque County Creamery had various amounts of credit and checked on it constantly like they have always been doing?

A. Yes, sir.

Q. These cash items came along in the routine of business just like all their items had been theretofore coming in?

A. Yes, sir.

Q. These sheets that you have brought here and exhibited do not show daily balances?

A. No, sir.

Q. But you do have sheets in the bank that do show the daily balances?

A. Yes, sir.

Q. Have you had occasion to check over those?

A. No, sir, I have not.

Q. Those that you have brought here are what you would call the individual ledger sheets?

A. That is a copy of the deposits which were taken from the individual ledger sheet.

Q. Are those sheets a part of the permanent records of your bank?

A. Yes, sir.

Q. In other words your individual ledger sheets were not taken and these copied from it?

A. I took the individual ledger sheets and copied the deposits and got the dates before you as they came in.

Q. I want to get that point right. You do not keep a permanent record of this kind in your bank?

A. We keep a permanent record sheet and any time you want a record of ours we make a copy and present it to you.

Q. And when you copied off the record you merely copied off the deposits and not the checks?

A. Yes, sir.

Q. If a man came in there and said he wanted to look at my individual ledger sheet you would show him one that would show the deposits and checks, too?

A. Yes, sir.

Q. You just copied these off showing the deposit?

A. Yes, sir.

Q. You could have brought the ledger sheets showing the amount to the credit of the Bosque Creamery Account any day?

A. Yes, sir.

Q. Have you had occasion to make comparisons of the deposits as shown by these duplicates with the testimony as given by Mr. Chudej?

A. No, sir, I have not, I am not familiar with it.

Q. You have not compared those?

A. No, sir, I have not.

Q. (Continuing) to see whether or not they were the same?

Senator Woodward: Sen. Martin has made inquiry of you in reference to the Bosque Creamery Account in the past.

Senator Martin: There is one more question I wanted to ask. Does Jim Ferguson carry any individual account in your bank at all?

A. No, sir, not a personal account.

Q. And you say that you are at present carrying only the Ferguson Forum and Bosque Creamery Accounts?

A. Yes, sir.

Senator Woodward: Was there any other account there over which he had control?

A. Well, the best of my knowledge the only two I am familiar with are the Bosque Creamery and the Ferguson Forum as far as his personal business is concerned.

Q. Is there any other account there over which he has control?

Senator Martin: We think that would be a conclusion since the witness has answered that he knows of none.

Chairman Purl: If he knows he can answer.

A. Those two accounts are the only ones I am familiar with, sir.

Senator Woodward: Mr. Long, Senator Martin has made inquiry of you in reference to the Bosque Creamery Company Account in the past. Do you mean to tell the com-

mittee that from January 1, 1932 to September 1, 1932 that the Bosque Creamery Account will show daily deposit of a thousand dollars in cash at one time or five hundred dollars in cash and currency at various times?

Senator Martin: I think in fairness to the witness if the witness has not had occasion to investigate the record he is probably not qualified on that question. He has brought the records that were called for. I ascertained the other day that the witness did not make the record. I did not object because they were permanent records of the bank. I think the records would be the best evidence; let it speak for itself.

Senator Woodward: Mr. Chairman, I was only inquiring in reference to the matter he inquired about. The testimony elicited would leave the impression that this amount of \$43,500 was the usual and ordinary amount deposited as it has always existed in the past. I just wanted to test the witnesses knowledge with reference to those things.

Chairman Purl: Put your question so he can answer yes or no, or if he does not know.

Senator Woodward: Mr. Stenographer, please read the question.

(The question read.)

A. At the present time I am not in a position to say definitely the amount of money placed to any one account on my books. I am not in position to give that information, I would have to have my records to show.

Q. All right, if the Senate should ask you to produce the accounts of the Bosque Creamery from January 1, 1932, to September, 1932, or January 1, 1931, to September 1, 1931, or for the several years preceeding during that period could you do it?

A. Yes, sir.

Q. It could be used as a comparison to determined whether or not the account ran along in a usual way as compared to the period from January 1, 1933, to September 1, 1933?

A. Yes, sir.

Senator Woodward: That is all.

Senator Woodruff: I don't know whether it has been covered; you said a little while ago, as I understood you, that this account of the

Bosque Creamery during the period discussed of 1933 was about a normal account, that is, the deposits. Is it ordinary and normal for those deposits to be made in currency as you testified they did?

A. We only accept business in a regular routine manner. It does not make any difference to us; we accept it in good faith.

Q. I understand, but it is normal for that sum of money to be deposited in currency or out of the ordinary routine?

Senator Martin: I object to that question as propounded, because the testimony does not show there was any such account made up in currency. The witness testified here Saturday with reference to the deposit slips and many of the items thereon. The greatest majority of it was in checks and it is unfair to the witness to ask such a question.

Senator Woodruff: Well, it was my understanding Mr. Long's testimony Saturday was to the effect that most of those deposits were in currency.

Senator Martin: The witness did not so testify.

Senator Woodruff: After he just testified that this was not an unusual line of deposits for that account to have received over that period, then I was seeking to ask him whether or not it was unusual for that account over that period of time to receive that much currency.

Senator Martin: I do not think the witness testified that the major portion of that was in currency and a few items of checks, but I think the duplicates themselves will show to the contrary, in fairness to the witness.

Chairman Purl: I think the record speaks for itself, and I don't want too many conclusions.

Senator Woodruff: I will ask it in another way, then. How does the deposits in currency over the time under question compare with the deposits in currency over the period last year?

A. Senator Woodruff, right now I am not prepared to answer because in talking about the deposits of last year I would have to have them before me in order to make any comparison.

Senator Woodward: Mr. Long,

Senator Martin has asked you about these funds of the Bosque Creamery and Ferguson Forum. If they have been checked out in the usual and customary manner. Do you mean by that that checks were drawn against those funds and payable to individuals or to other accounts?

A. As far as I know the checks were issued against these accounts and we paid them and they were properly endorsed, and that's as far as I can give you any knowledge of the checking out of the money.

Q. It would be impossible for you to name the payees in these various checks?

A. It would.

Q. Do you have any independent recollection as to whether any of those checks were payable to or the money transferred from either of these accounts to Mrs. Ferguson's account?

A. No, sir.

Q. You do not remember?

A. No, sir.

Q. Could she carry an independent account in the bank?

A. No, sir.

Q. Does her estate carry any private account in the bank?

A. No, sir.

Q. Does she do business with the bank?

A. No, sir.

Q. Then the bank don't handle any of the funds of Mrs. Ferguson?

A. No, sir; they do not.

Q. Do you know where she does her banking business?

A. No, sir; I do not.

Q. Have you noticed any checks coming in that would indicate where she does her banking business?

A. No, sir.

Chairman Purl: If there are no further questions then you may stand aside.

Senator Martin: I want to ask Mr. Westbrook some questions, please.

Colonel Lawrence Westbrook was recalled to the stand and testified as follows:

Senator Martin: Mr. Westbrook, I am handing you here what is filed for the first page of "Public No. 15, 73rd Congress, H. R. 4606." I wish you would explain what that is.

Senator Woodward: In justice to Mr. Westbrook and to the Runnels

County office there is a matter I want to get clear in the record which won't take but a minute. Mr. Westbrook, the other day I inquired of you as to the salary paid the Runnels County administrator. The report you filed shows a salary of \$200 a month.

A. Yes, sir.

Q. I will ask you to state whether or not you have checked and ascertained that was an error, a typographical error.

A. Yes, I have, Senator, and it should have been \$100 instead of \$200 a month.

Q. I offer that both in justice to you and the local administrator, but the books in fact show that it is \$100.

A. That is right.

Senator Woodward: That is all, Senator, thank you.

Senator Martin: Going back to this particular instrument here that I am handing you I will ask you to explain what that is. First, state what it is.

A. This is a copy of the Federal Emergency Relief Act as passed by the Federal Congress in the short session.

Q. Is there any part of that particular Act which pertains to the allocation of any funds to the State of Texas; if so, explain that particular section.

A. I did not quite get that.

Q. If there is any part of that particular Act any ways effecting the State of Texas with reference to the amount of money sent to this State, I will ask you to explain that particular section.

A. Section 5; I presume that is the section to which you have reference.

Q. Yes.

A. It prescribes the method to be employed by any State in securing funds under the Act, and it reads that: "any State desiring to obtain funds under this Act shall through its Governor make application therefor from time to time to the administrator. Each application so made shall present in the manner requested by the administrator information showing (1) the amounts necessary to meet relief needs in the State during the period covered by such application and the amounts

available from public or private sources within the State, its political subdivisions, and private agencies, to meet the relief needs of the State, (2) the provision made to assure adequate administrative supervision, (3) the provision made for suitable standards of relief, and (4) the purposes for which the funds requested will be used."

Q. That is—

A. (Interrupting) The following section describes the manner in which the administrator shall make this grant, I think, and paragraph 6 provides for the application also.

Q. Read that, please. "The administrator upon approving a grant to any State shall so certify to the Reconstruction Finance Corporation which shall, except upon revocation of a certificate by the administrator, make payments without delay to the State in such amounts and at such times as may be prescribed in the certificate. The Governor of each State receiving grants under this Act shall file monthly with the administrator, and in the form required by him, a report of the disbursements made under such grants." Those are the two sections that have reference to the manner in which application is made for funds and the manner in which the funds are dispensed to the states.

Senator Woodward: Were you reading from the Emergency Act?

A. Yes, sir.

Senator Martin: We want to introduce the entire Emergency Act and just wanted him to explain those two particular sections.

"(Public—No. 15—73d Congress)
"(H. R. 4606)

"AN ACT

"To provide for cooperation by the Federal Government with the several states and territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that the present economic depression has created a serious emergency, due to wide-

spread unemployment and increasing inadequacy of State and local relief funds, resulting in the existing of threatened deprivation of a considerable number of families and individuals of the necessities of life, and making it imperative that the Federal Government cooperate more effectively with the several states and territories and the District of Columbia in furnishing relief to their needy and distressed people.

"Sec. 2. (a) The Reconstruction Finance Corporation is authorized and directed to make available out of the funds of the corporation not to exceed \$500,000,000 in addition to the funds authorized under Title I of the Emergency Relief and Construction Act of 1932, for expenditure under the provisions of this Act upon certification by the Federal Emergency Relief Administrator provided for in Section 3.

"(b) The amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered under Section 9 of the Reconstruction Finance Corporation Act, as amended, to have outstanding at any one time is increased by \$500,000,000: Provided, That no such additional notes, debentures, bonds, or other such obligations authorized by this subsection shall be issued except at such times and in such amounts as the President shall approve.

"(c) After the expiration of ten days after the date upon which the Federal Emergency Relief Administrator has qualified and has taken office, no application shall be approved by the Reconstruction Finance Corporation under the provisions of Title I of the Emergency Relief and Construction Act of 1932, and the Federal Emergency Relief Administrator shall have access to all files and records of the Reconstruction Finance Corporation relating to the administration of funds under Title I of such Act. At the expiration of such ten-day period, the unexpended and unobligated balance of the funds authorized under Title I of such Act shall be available for the purposes of this Act.

"Sec. 3. (a) There is hereby created a Federal Emergency Relief Administration, all the powers of

which shall be exercised by a Federal Emergency Relief Administrator (referred to in this Act as the 'Administrator') to be appointed by the President, by and with the advice and consent of the Senate. The administrator shall receive a salary to be fixed by the President at not to exceed \$10,000, and necessary traveling and subsistence expenses within the limitations prescribed by law for civilian employees in the executive branch of the Government. The Federal Emergency Relief Administration and the office of Federal Emergency Relief Administrator shall cease to exist upon the expiration of two years after the date of enactment of this Act, and the unexpended balance on such date of any funds made available under the provisions of this Act shall be disposed of as the Congress may by law provide.

"(b) The administrator may appoint and fix the compensation of such experts and their appointment may be made and compensation fixed without regard to the civil service laws, or the Classification Act of 1923, as amended, and the administrator may, in the same manner, appoint and fix the compensation of such other officers and employees as are necessary to carry out the provisions of this Act, but such compensation shall not exceed in any case the sum of \$8,000; and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere and for printing and binding), not to exceed \$350,000, as are necessary to carry out the provisions of this Act, to be paid by the Reconstruction Finance Corporation out of funds made available by this Act upon presentation of vouchers approved by the administrator or by an officer of the administration designated by him for that purpose. The administrator may, under rules and regulations prescribed by the President, assume control of the administration in any state or states where, in his judgment, more effective and efficient corporation between the State and Federal authorities may thereby be secured in carrying out the purposes of this Act.

"(c) In executing any of the pro-

visions of this Act, the administrator, and any person duly authorized or designated by him, may conduct any investigation pertinent or material to the furtherance of the purposes of this Act and, at the request of the President, shall make such further investigations and studies as the President may deem necessary in dealing with problems of unemployment relief.

"(d) The administrator shall print monthly, and shall submit to the President and to the Senate and the House of Representatives (or to the Secretary of the Senate and the Clerk of the House of Representatives, if those bodies are not in session), a report of his activities and expenditures under this Act. Such reports shall, when submitted, be printed as public documents.

"Sec. 4. (a) Out of the funds of the Reconstruction Finance Corporation made available by this Act, the administrator is authorized to make grants to the several states to aid in meeting the costs of furnishing relief and work relief and in relieving the hardship and suffering caused by unemployment in the form of money, service, materials, and/or commodities to provide the necessities of life to persons in need as a result of the present emergency, and/or to their dependents, whether resident, transient, or homeless.

"(b) Of the amounts made available by this Act not to exceed \$250,000,000 shall be granted to the several states applying therefor, in the following manner: Each State shall be entitled to receive grants equal to one-third of the amount expended by such state, including the civil subdivisions thereof, out of public moneys from all sources for the purposes set forth in subsection (a) of this section; and such grants shall be made quarterly, beginning with the second quarter in the calendar year 1933, and shall be made during any quarter upon the basis of such expenditures certified by the states to have been made during the preceding quarter.

"(c) The balance of the amounts made available by this Act, except the amount required for administrative expenditures under Section 3, shall be used for grants to be made whenever, from an application pre-

sented by a state, the administrator finds that the combined moneys which can be made available within the state from all sources, supplemented by any moneys, available under Subsection (b) of this section, will fall below the estimated needs within the state for the purposes specified in Subsection (a) of this section: Provided, That the administrator may certify out of the funds made available by this subsection and additional grants to states applying therefor to aid needy persons who have no legal settlement in any one state or community, and to aid in assisting cooperative and self-help associations for the barter of goods and services.

"(d) After October 1, 1933, notwithstanding the provisions of Subsection (b), the unexpended balance of the amounts available for the purpose of Subsection (b) may, in the discretion of the administrator and with the approval of the President, be available for grants under Subsection (c).

"(e) The decision of the administrator as to the purpose of any expenditure shall be final.

"(f) The amount available to any one state under Subsections (b) and (c) of this section shall not exceed 15 per centum of the total amount made available by such subsections.

"Sec. 5. Any state desiring to obtain funds under this Act shall through its Governor make application therefor from time to time to the administrator. Each application so made shall present in the manner requested by the administrator information showing (1) the amounts necessary to meet relief needs in the state during the period covered by such application and the amounts available from public or private sources within the state, its political subdivisions, and private agencies, to meet the relief needs of the state, (2) the provision made to assure adequate administrative supervision, (3) the provision made for suitable standards of relief, and (4) the purposes for which the funds requested will be used.

"Sec. 6. The administrator upon approving a grant to any state shall so certify to the Reconstruction Finance Corporation which shall, except upon revocation of a certificate

by the administrator, make payments without delay to the state in such amounts and at such times as may be prescribed in the certificate. The Governor of each state receiving grants under this Act shall file monthly with the administrator, and in the form required by him, a report of the disbursements made under such grants.

"Sec. 7. As used in the foregoing provisions of this Act, the term 'state' shall include the District of Columbia, Alaska, Hawaii, the Virgin Islands, and Puerto Rico; and the term 'Governor' shall include the Commissioners of the District of Columbia.

"Sec. 8. This Act may be cited as the 'Federal Emergency Relief Act of 1933.'

"Approved May 12, 1933."

Chairman Purl: If there is no objection it will go in the record. I think it is pertinent.

Senator Martin: I am handing you here Texas Rehabilitation and Relief Commission, Austin, Texas, July 1, 1933, Rules and Regulations covering expenditures of Federal Emergency Relief Fund. I will ask you, please, to take that and explain it section by section or any such sections as you think are pertinent to the matters at inquiry at this time.

A. This is a copy of Federal Emergency Relief Administration Rules and Regulations No. 1.

Q. You are reading Rule No. 1?

A. Rule No. 1 as promulgated by the Federal Emergency Relief Administration for the administration of Federal funds turned over to the state under the Act I have just read.

Q. Did the State department have anything to do at all with the promulgation of those rules and regulations?

A. We did not.

Q. In other words they were handed to you direct from Washington and you were required to abide by them?

A. Rules and Regulations of the National Recovery Administration applying to all states.

Q. Explain now Rule No. 1.

A. Subsection (a) Grants of Federal Emergency Relief Funds are to be administered by public agencies after August 1, 1933.

Q. Explain what is meant by "public agencies."

A. That means that the practice which had prior to that time been followed of turning these funds over to private agencies such as the United Charities and Salvation Army and organizations of that kind had to be discontinued as of August 1st and the funds had to be turned over to public agencies, that is agencies which were constituted by law for distribution after that date.

Q. Now then, right there in that connection, did you or not comply with that rule?

A. We did it as quickly as we could.

Q. I meant to say you attempted to do so at least?

A. And we have about completed it now. We had to set up in each county of the State a different agency from that which had hitherto been used.

Q. Section 2 or Rule 2.

A. There are some other parts of this No. 1.

Q. All right; go ahead with that then. I do not have a copy of it here before me.

A. In explanation, their explanation of Subsection (a) I will read: "Just as all State commissions responsible for the distribution of Federal and State funds to local committees are public bodies, so in turn should those local units be public agencies responsible for the expenditure of public funds in the same manner as any other municipal or county department.

"This policy obviously must be interpreted on a realistic basis in various parts of the United States. Hundreds of private agencies scattered throughout the land have freely and generously offered their services in the administration of public funds. It would be a serious handicap to relief work if the abilities and interests of these individuals were lost. But these individuals should be made public officials working under the control of public authority. Thousands of these workers are serving and will continue to serve without pay, but if paid, they should be compensated in the same manner as any other public servant.

"It is not the intention of this regulation to instruct the several states to make hasty changes in

agreements which the State Administration may have made with the private agencies. Adjustment, however, to this policy is to be made no later than August 1, 1933.

"This ruling prohibits the turning over of Federal Emergency Relief funds to a private agency. The unemployed must apply to a public agency for relief, and this relief must be furnished direct to the applicant by a public agent."

I will say that in Texas when we accomplished this change we brought as many of the personnel employed in the private agencies which had been functioning into the newly constituted agencies as we could, and as a matter of fact, generally speaking, the same personnel continued to distribute these funds without disturbing them, however, under the administration which was created by the State law instead of under the private agencies as they had up to that time.

Section (b) of Rules and Regulations No. 1 reads as follows: (b) "Grants made to the states from Federal funds under the Federal Emergency Relief Act of 1933 may be used for the payment of medical attendance and medical supplies for those families that are receiving relief." That merely gave us more authority than we had had previously to extend medical aid and furnish medicine to those on our relief rolls.

Q. All right.

A. Section (c) "These funds may also be used to pay the cost of shelter for the needy unemployed." That threatened to cause us some trouble because a number of landlords who had prior to that time been getting no rents bore down on us; but on account of the fact that we have a very good law covering eviction we have been able to pay out not very much money for rent.

Section (d) "These funds may not be used for the payment of hospital bills or for the boarding out of children, either in institutions or in private homes, or for providing general institutional care. These necessary services to the destitute should be made available through State or local funds." That had already been done and there was no change.

Section (e) "The personnel em-

ployed on work relief projects by the State or their subdivisions are not Federal employees and must not be considered as such; therefore, premiums for accidents insurance in connection with work relief programs may not be paid from Federal funds, but should be paid out of State or local moneys." Our policy has been since the State of Texas does not take out compensation insurance we do not take it out either.

This other is a part of another document, Senator.

This is a copy of National Relief Administration Rules and Regulations No. 2 and reads as follows: "Grants of Federal Relief Funds cannot be made on basis of expenditures for rental of buildings used for relief operations; salaries of regularly employed public employees other than those employed full time in connection with emergency unemployment relief and under the supervision of the unemployment relief authority; salaries of relief workers not working directly under the supervision of the unemployment relief authority; and the purchase of automobiles and other equipment used in connection with relief administration."

The effect of that rule was that we had in some sections of the State people who were working part time for a county or city or other political subdivision and were having their salary supplemented from relief funds; that rule applied and we pay all their salaries and they work exclusively for the Federal Relief Administration.

No. 3 is a supplement to Rules and Regulations No. 1. (Reading) "Rule No. 1 stated: "Grants of Federal emergency relief funds are to be administered by public agencies after August 1, 1933." The rule further stated, "This ruling prohibits the turning over of Federal emergency relief funds to a private agency. The unemployed must apply to a public agency for relief and this relief must be furnished directly to the applicant by a public agent." Three points need to be clarified: (a) Public agency. (b) Public agent or public official. (c) Use of private agency personnel." This is the definition of "public agency" under this ruling: "(a) Public agency.—A public welfare department, supported by tax funds

and controlled by local government, if approved by the State Emergency Relief Administration to administer unemployment relief, is a "public agency." Where a public welfare department does not exist and a local unemployment relief administration is responsible for unemployment relief this local unemployment relief administration, in order to be recognized as a "public agency" in the meaning of that term as used in Rules and Regulations No. 1, must have the following factors:

"(1) It must have the full sanction and recognition of the State Emergency Relief Administration.

"(2) It must be vested with full authority and control in the expenditure of State and Federal public funds appropriated for local relief purposes.

"(3) It must conform to the rulings of the State Emergency Relief Administration.

"(4) It must keep such records and forms as are required by the State Emergency Relief Administration."

It was that which had the effect of requiring us to add a few additional people, not many; there were only a few who were affected by that ruling.

Q. You added additional people in order to carry out that ruling?

A. Yes, sir.

Q. Right there, Senator Woodward desired to ask you a question about that other.

A. Surely.

Q. Under your interpretation of the Emergency Relief Act and under the rules promulgated by the administrator a commissioners' court could become a public agency?

A. I think so, yes, sir.

Q. And the governing bodies of cities and towns could become public agencies?

A. I would so construe that.

Q. They would have the right to employ, if they saw fit, persons to aid them in carrying on that work?

A. Yes, I think that is correct.

Q. There is no inhibition so far as you know in the Federal Relief Act of 1933 or in the rules and regulations promulgated under that Act that would deny a commissioners' court the right to use a local welfare agency like the Community Chest or Red Cross or any other

organization to assist them in doing the work?

A. Yes, I think so, Senator, if the personnel was not directly responsible to the public agency selected, why there would be an inhibition.

Q. If it was to assist them in doing the work?

A. If they assisted them and the personnel engaged in rendering the assistance were not direct employees of the public agency selected I think there would be an inhibition in these rules.

Q. Is that going on?

A. We may not have waived all of these agencies but generally it is not being done.

Q. In the City of Houston do they have anything to do with it at all?

A. No, sir.

Q. In San Antonio do they have anything to do with it?

A. No, sir.

Q. In Texas there are no welfare leagues or organizations or people connected with it, who are not assisting in carrying on this work?

A. Well, in assisting these public agencies, they are still in existence and doing a very valuable work.

Q. What are they doing?

A. They are taking care of chronics. They are doing social welfare work purely, home visits, taking care of those children that the Federal regulations will not permit. The distinction is about this, that the Federal Emergency Relief Administration recognizes that there always were and always will be certain chronic hunger pinched people who have to be taken care of.

Q. In good times as well as bad times?

A. In good times as well as bad, and that type of people, people who come under that classification, are being taken care of by the local organizations, in other words are being taken care of in so far as possible by these private agencies, the Community Chest and such agencies are taking care of those people.

Q. What about the set-up in Fort Worth?

A. The set-up in Fort Worth is purely a public agency. The City of Fort Worth has a welfare department which has been recognized by the Federal Relief Administration.

Q. Couldn't a commissioners' court recognize a welfare department or couldn't the State officials recognize a welfare department?

A. Yes, that is not supported by private funds. The welfare department of the City of Fort Worth is a public agency and is supported by an appropriation.

Q. Now I believe you said—read there a while ago as I interpreted it, I may be wrong, that it was a violation of the rules of the administrator, Mr. Hopkins, and would be a violation of your rules for the county or city to supplement the salaries of those who are carrying on the work and receiving pay direct through the Federal Government.

A. Here is the method they prescribe, they allow the counties and cities, wherever they feel like they can do it, to render financial assistance, but it is prescribed when they do render this assistance they turn the funds over to the agency which is administering relief where they are employed through their office and the salary is paid to the private agency. They do not pay any individual.

Q. Is it a violation of the rules for any employee of the Federal agency to have his salary supplemented by the commissioners' court or by the cities? I wish you would read there what I am talking about.

A. (Reading) "The compensation of the 'Public official' or 'Public agent' may or may not be paid from public funds. Such official may be loaned by a private agency, but when so loaned must become a member of the official staff of the public agency."

Senator Woodward: You read there somewhere about supplementing the pay of salaries.

A. I think that is what I read.

Q. Well, I am asking you now your interpretation of the rules and regulations promulgated by the National Administrator, Mr. Hopkins, whether or not it is permissible or recognized as proper for an employee, say a county administrator, to have his salary, whatever it is, supplemented from either private funds or public funds.

A. Yes, I think it is permissible and it is desirable where they want to do it; but that administrator, whoever he is, he is an employee of

the relief agency and not of the commissioners' court or the chamber of commerce, whoever supplements his funds.

Q. You recognize the right of the city and county to supplement his salary?

A. Oh, yes, that has been done.

Q. That has been done all over the State in many instances.

A. Yes.

Q. As a matter of fact, your salary as State representative under the Rehabilitation and Relief Commission is being supplemented by the Federal Government as you testified the other day.

A. That is correct.

Q. You are not a Federal employee, are you?

A. I am not.

Q. Your services are entirely as a State agency?

A. Correct.

Q. I will ask you if it is not a fact, in order to bring the matter out, this legal authority, as you understand it, it had to be assured, the department, that you were not a Federal employee nor a Federal agency and they were merely supplementing your State salary as such?

A. That is correct.

Q. And it is upon that theory and that theory alone that you are permitted to have your salary supplemented by the Federal Government?

A. Yes, sir.

Q. Now, Mr. Westbrook, you read awhile ago from Section 5 in which it is provided that "Any State desiring to obtain funds under this Act shall through its Governor make application therefor from time to time to the administrator. Each application so made shall present in the manner requested by the administrator information," etc. You don't interpret that to mean that the Legislature would have to have the Governor a member of any board or commission in order to distribute these funds, do you?

A. No, I don't think so. I think it means, though, what it says that the application must be made by the Governor.

Q. By the Governor?

A. Yes, sir.

Q. Then the Governor of Texas could make the application for re-

lief funds for Texas even though the Governor is not a member of the board?

A. Oh, yes.

Q. Of course, you recognize the fact, as far as the Texas Legislature is concerned, we can only legislate in reference to the expenditure of State funds.

A. I understand that.

Q. The thing we must be careful about is the implied threat, I don't mean for you to concur in that statement, it is a statement I am making, the implied threat of Mr. Williams that unless the State forces or agency should do just as the present plans of the National Administrator say that Texas might be penalized and cut off from any future funds. I am not asking you to concur in my statement as to that threat.

A. What do you want me to say about it?

Q. I say that under the statute, Mr. Williams would infer that unless the State handled her funds in the same manner and for the same purpose as Federal funds are handled that we might be penalized and not receive any Federal aid at all. Do you believe that is correct?

A. Yes, I do. I think that the Federal—Mr. Hopkins has said the same thing—I think this, I think they will make every effort to cooperate with the State, but I do think that they would prescribe the terms on which they would merge their funds with ours. In fact, these rules and regulations definitely state that.

Senator Hornsby: Mr. Chairman, I want to make a motion that the Committee of the Whole recess until 2 o'clock.

Senator Woodward: Mr. Chairman, I have called a meeting of the sub-committee to look into the anti-trust bill for 2 o'clock.

Chairman Purl: Let me ask Mr. Westbrook one question, Senator Hornsby.

Mr. Westbrook, in yesterday morning's Dallas News it had a box concerning the Dallas Community Chest: "Why Community Chest is needed this year." "Uncle Sam says 'No' unless we say 'Yes.'"

"In eight words this sums up one of the most significant reasons for a successful Community Chest campaign in Dallas this fall.

"Uncle Sam, and Old Man Texas with him, are holding the money bags for unemployment relief this year, but unless Dallas shows a generous spirit in fund raising our share of the Government money will be reduced. We will be judged by our Chest drive.

"These State and Federal funds will, in any case, be used purely for the relief of able-bodied unemployed.

"Give with a twofold purpose to the Community Chest this year: to win for Dallas our share of the State and Federal appropriations; to care for those whom these funds will not reach."

That is signed by the chairman of the Eleventh Annual Drive, Dallas Community Chest. I want to ask you so far as that is concerned, here in Austin there has been no sort of a tie-up between the Dallas Community Chest and the appropriation we will make down here?

A. No.

Q. There will be no question there with respect to the unemployed?

A. No, sir.

Senator Hornsby: Mr. Chairman, may I at this time have permission to send up a clipping from a page of the Dallas News and have it read?

Chairman Purl: Yes, sir.

Senator Hornsby: The secretary will please read it.

The Secretary: (Reading) "Hush, It's a Secret.

"The premier anti-publicity organization is believed found in Dallas by reporters who have been covering local relief work at the Jackson street headquarters.

"How many cans of food have been put up this year by the cannery?" a sub-official was asked in absence of his superior.

"Oh, I'm not empowered to release such information," came the reply in Scotland Yard secretiveness. 'You'll have to see Mr. Shelton.'

"The reporter tried to see Mr. Shelton, and a woman in the office pushed her lips close to the ear of another employee.

"Do you think he ought to see Mr. Shelton?" she whispered in a manner that would have done credit to the Secret Three.

"The prize winner, however, came from Dr. Ozer, recently imported social worker.

"What are your initials, Doctor?" he was asked.

"Oh, I can't tell you," he replied instantly.

"You know what your initials are, don't you, Doctor?"

"The doctor admitted he was in possession of that information, but he couldn't give out anything to the press."

Chairman Purl: The motion has been made that the Committee of the Whole recess until 2:15 o'clock. If there is no objection we will recess until 2:15.

The Committee of the Whole then at 12:15 o'clock p. m., recessed until 2:15 o'clock p. m.

Afternoon Session.

The Committee of the Whole met at 2:45 o'clock p. m., whereupon the following proceedings were had:

Senator Neal: Mr. Chairman.

Chairman Purl: Senator Neal.

Senator Neal: I have two telegrams from my district which I would like to offer, to have placed in the record. I have other messages but they do not concern my district.

Chairman Purl: Send up the messages, the secretary will read the message and get them into the record.

The secretary thereupon read the following telegrams:

"Miss Margie Neal,

State Senator, Austin, Texas.

Harrison County and the City of Marshall are satisfied with local board of welfare and Employment State Commission under Mr. Westbrook has handled affairs to our satisfaction and free from partisan politics.

B. R. LINDASY,
County Judge.

H. J. GRAESER,
City Manager."

"Honorable Margie E. Neal,

Senator, Austin, Tex.

People here are thoroughly satisfied with committees appointed for the handling and supervising of relief funds in Harrison County Stop We feel that no improvement can be made or better treatment expected that that accorded us by Colonel Lawrence Westbrook.

Directors, Marshall Chamber of Commerce."

Chairman Purl: Mr. Westbrook, I believe you were on the stand this morning.

Thereupon, Col. Lawrence Westbrook, having previously been sworn to tell the truth, the whole truth, and nothing but the truth, testified further as follows:

Colonel Westbrook: I believe Senator Woodward was asking me some questions.

Senator Woodward: Then it is your idea, colonel, that there is no inhibition or prohibition in the Federal Act or any other rule that would prevent supplementing the salaries?

A. No, I don't think there is.

Q. I will ask you if you heard Mr. Williams in his address the other day, make the statement, I think I can find it here—well, before I get to that I will ask you this. It is a fact, is it not, that with the exception of the funds which are being used out of the appropriation made at the Regular Session of the Forty-third Legislature in creating the Texas Rehabilitation and Relief Commission that the Federal Government is defraying the entire cost of administering the funds in Texas?

A. That is correct.

Q. That is their policy?

A. I don't know whether it is their general policy or not, Senator.

Q. Well, it is in Texas.

A. In Texas it is; yes, sir.

Q. Mr. Williams, in his address the other day, in stating the policy of the National Board or the administrator, said this:

"Now, to restate the whole matter in the form of an agreement:

"The Federal Emergency Relief Administration will provide funds for relief in Texas on the basis of one dollar of Federal money for each one dollar of State money under the following conditions:

"1. State funds, to be considered on the above matching basis, must be administered in accordance with the rules and regulations of the Federal Emergency Relief Administration. The Federal Emergency Relief Administration does not assume to dictate to the State the method of administering State funds, but reserves the right to limit Federal funds on the matching basis to the

proportionate amount of State funds disbursed in accordance with the recognized principles of relief as prescribed in the Federal Emergency Relief Administration rules and regulations.

"2. In consideration of compliance by the State with the rules and regulations of the Federal Emergency Relief Administration, the Federal Emergency Relief Administration will defray the administration costs during the period in which Federal funds are made available from its share.

"3. The matching basis herein proposed will be continued through the month of March, 1924, after which a new agreement based upon the then existing conditions and resources will be made. Present Federal funds are estimated to be sufficient to last only through March, 1934.

"4. Allocations to political subdivisions, in order to justify Federal participation shall be determined by actual need as certified to by county boards of welfare and employment, and further approved and certified to by a State commission."

Now, if that then is the policy of the Federal Government and if this Legislature would see fit to create an entirely different commission from the one now in existence, designated as the public agency of the State, designating the commissioners' courts as public agencies to distribute funds in the counties, and authorize the State commission to employ an executive secretary or director, who would handle the funds in accordance with the rules and regulations of the Federal commission, if the Federal commission adopted that as a good policy in Texas, then the Federal Government would defray the expenses, wouldn't it?

A. I think if the set-up met their approval. I don't mean the personal set-up.

Q. The legal set-up.

A. Yes, the administrative machinery, if it met their approval, I think they would do it. I don't think that they are concerned with the personnel except as to qualifications.

Q. Yes, they want efficiency and

of course they want an honest administration.

A. That is right.

Q. They don't care whether it is Paul Jones or Tom Brown or whether it is Lawrence Westbrook or Walter Woodward?

A. I don't think they do.

Q. If the State passed a statute establishing a set-up in Texas that is not a violation of the Federal Act, and if it should be approved by the Federal administration then the Federal administration would defray the expenses.

A. I think they would, Senator, I would like to say in explanation of this agreement that you read just a moment ago, which was made by Mr. Hopkins, on the occasion of a visit that I made to Washington about a month ago, the Federal Emergency Relief Administration Act provides that Federal funds, the first section of that does, that Federal funds shall be furnished to the states in the proportion of \$1.00 Federal funds to \$2.00 State funds. The Federal Emergency Relief Administrator has the power under Section 2 of that Act to increase that if he is convinced that—

Q. The need exists?

A. If the additional need exists. So I went up to Washington and pointed out to Mr. Hopkins that while we had voted \$20,000,000 worth of bonds here there was no certainty that additional Federal funds would be made available after they were exhausted in March, that we might need the money that we had on hand to take care of us after March and furthermore that the Legislature did not meet again until 1935 in regular session and that it would be more than two years before we could make any additional funds available; and on the basis of the possibility of our \$20,000,00, matching two State dollars for one Federal dollar, not being sufficient, he agreed on the fifty-fifty proposition as outlined in that memorandum. Of course, that agreement was based upon his understanding that the set-up should be agreeable to his office, that such a set-up would be provided in Texas.

Q. Well, reading further from the supposed contract:

"5. The Federal Emergency Re-

lief Administration reserves the right to form its own estimate of the needs of the proportionate part of each estimate.

"6. The Federal Emergency Relief Administration will defray the entire cost of transient relief in Texas.

"7. The Federal Emergency Administration will defray the entire cost of the Federal re-employment service in Texas."

I believe you heard him make that statement, did you not, Mr. Westbrook?

A. I did, it was a part of the agreement.

Q. I have read from his statement. Mr. Westbrook, who prepared or assisted in preparing the bill which was passed at the last Regular Session of the Legislature known as the Texas Rehabilitation and Relief Bill?

A. I don't know how many people were in it; I don't know how many people had a part in it. I don't even recall who introduced it; I believe Mr. Jones. I think there were several members of the House, the bill was introduced in the House, I don't even recall the sponsors of the bill in the House, except I think Mr. Jones. The bill, a part of the bill was written by Mr. Williams at the request of the Governor.

Q. At the request of who?

A. Of the Governor.

Q. You mean Governor Miriam Ferguson or Jim Ferguson?

A. Well, probably at the request of both of them. I think there was a conference that they both attended and they asked him to prepare a bill along those lines.

Q. Was it submitted back to the Governor's office?

A. As I recall it the Governor sent the bill up. I am not sure about that, Senator.

Q. Did you take part in drafting that bill?

A. Not a detailed part, no. I did discuss it.

Q. Well, as administrator for the State, appointed under the terms of that bill, what do you understand to be the power of the commission; what power has the commission under that bill?

A. My understanding of the bill, I don't believe it very clearly defines

the power of the commission. My understanding of the power of the commission is that it determines the policies for the administration of relief in Texas in accordance with the policies as promulgated by the Federal Emergency Relief Administration. I gather that the commission itself will adopt its rules of procedure and would require such reports as it thought should be required. My idea is that the commission should be furnished with periodical reports which would enable it to exercise supervision over the administration of relief and that it should have the duty of representing the public's interest in that respect within the State.

Q. Well, the question I asked you was not what the commission could do, but what power has the commission.

A. Under the Act—I will have to look at the Act again, I have a copy of it here. Well, it has the duty, under Section 4 of the Act, it says it shall appoint county boards of welfare and employment.

A. With the approval of the commissioners' court?

A. With the approval of the commissioners' court. It is contemplated in the same section that they shall compile rules and regulations.

Q. And they must be in compliance with the Federal rules and regulations.

A. Naturally, they would not be inconsistent with Federal rules and regulations. I just assume, Senator, that under that construction of the Act they would have the right and would be charged with the responsibility of preparing rules and regulations to govern the administration of funds within the State.

Q. Well, that power which is given them is nothing more nor less than the power to adopt rules and regulations of the Federal commission; they can't adopt one that is contrary to it?

A. No, it can't adopt one that is contrary to it.

Q. Then they become retransmitted in that particular instance?

A. No. I think that the Federal rules and regulations, of course, would have to be complied with. I believe every state receiving those funds, I don't think there is any-

thing that would prevent or has prevented the State commission from adopting rules and regulations applying to the State of Texas, so long as those rules and regulations are not contrary to the rules and regulations promulgated by the Federal Emergency Relief Administration.

Q. Now, are you acquainted with the personnel of the commission?

A. I am.

Q. Under the Act, which is Section 3, which provides that the Texas Rehabilitation Relief Commission—the Governor shall be ex-officio chairman—shall be composed of seven members, three appointed by the Governor. Now, what three were appointed by the Governor?

A. Well, I am not certain, but I think Mr. Low; T. A. Low.

Q. Brenham?

A. Brenham. Mr. Harry Tom King.

Q. Abilene?

A. Abilene. Representative Pope, Corpus Christi, were the three appointed by the Governor, I am not sure about that.

Q. Two by the Lieutenant Governor. Do you know who the Lieutenant Governor appointed?

A. Mr. Giesecke; B. E. Giesecke.

Q. Austin?

A. Austin. Mr. W. A. Brooks, Dallas.

Q. Two by the Speaker of the House of Representatives. Now, whom did Speaker Stevenson appoint?

A. Mr. Robert Real and Mr. E. J. Hussion. I am not sure whether the Governor appointed Mr. Hussion or whether Speaker Stevenson appointed him; if Speaker Stevenson did appoint him why then the Governor appointed Mr. Pope; if the Governor appointed Mr. Hussion then Speaker Stevenson appointed Mr. Pope. I am not sure about that.

Senator Hornsby: May I interrupt here to suggest that Mr. Pope stated to me that his appointment was made by Coke Stevenson, Speaker of the House.

A. I wasn't sure about that.

Q. Then it provides that the Governor shall appoint a director of the State commission and you were appointed by the Governor as director?

A. I was.

Q. The Act then provides that subject to the approval of the chairman of the commission—is the Governor chairman of the commission?

A. Yes, sir.

Q. That the director shall appoint such employees as are necessary to carry out the provisions of this Act, at salaries, not to exceed a certain prescribed scale, for performing those duties?

A. Correct.

Q. Then this Act gives you the power to appoint all employees subject to the approval of the Governor?

A. That is correct, but I will state that the Governor has given me blanket authority and never has exercised that feature of the Act.

Q. To your knowledge?

A. To my knowledge, no.

Q. Well, that has reference to county boards as well?

A. No, Senator, that has no reference to county boards.

Q. I mean as far as the Governor having any interference of the county boards.

A. It is provided in Section 4 that the county boards shall be appointed by the commission sitting as a whole.

Q. I say, so far as you know, the Governor has not interfered in those instances?

A. No, sir.

Q. Nor with the appointment of any county administrator so far as you know?

A. No, I was not interfered with. I want to be clearly understood, I do not intend to convey the thought that the Governor has not made recommendations regarding county boards. A number of people made recommendations, even those who were not connected with the commission; the same thing is true with most of the employees. I don't think there are any employees who do not have a number of recommendations. To clarify that I will say that the Governor has never insisted upon me employing anybody.

Q. Well, has the Governor ever vetoed any of your appointments of employees?

A. She has not.

Q. So far as you know, every

person that you have appointed in any capacity has met with the approval of the Governor?

A. Yes, sir.

Q. Many people over the State, including legislators, made recommendations, didn't they?

A. Lots of them.

Q. I don't believe I have ever asked you to appoint anybody, have I, colonel?

A. I don't believe you have. I would have been glad to consider your recommendation.

Q. Maybe I will see you later. That was said in fun. What I really meant by that is that I have not butted in, tried to get anybody a job or anything of that kind.

A. No.

Senator Woodward: I believe that is all on that particular feature.

Senator Martin: I believe, Mr. Westbrook, you were reading this morning from that little pamphlet there.

A. Yes, sir; I was. If I may say, off the record, to the committee, there is a good deal in this thing and I think it is germane, you may stop me if you don't think it; there is quite a bit of it.

Q. Well, there are several sections in there that we know have a great deal to do with the State administration. I would like for you to discuss those particular sections and the others, you can pass them over. I don't know what section you were discussing.

A. I was just reading it over. I don't want to discuss anything that has no particular information, particularly pertinent. All these things are in the Federal rules and regulations, and the fact that they are in effect is responsible for the various activities on the part of the commission which required some administrative machinery.

The next section here refers to "Adequacy of Relief." There is a page and a half of it and the net result of that is—what it means is that the estimated needs of the family should be the basis on which relief should be granted, regardless of whether it is direct relief or work relief. I don't think it is necessary to read that.

The next section refers to "Investigation and Service." I think it is

rather important because it has a lot to do with the number of people required to make these investigations.

Q. Give us that.

A. (Reading): "To carry out the purposes of the Federal Emergency Relief Act of 1933 the investigation of all applications for direct and/or work relief is required. The following rules are hereby established:

"(1) Each local relief administration should have at least one trained and experienced investigator on its staff; if additional investigators are to be employed to meet this emergency, the first one employed should have had training and experience. In the larger public welfare districts, where there are a number of investigators, there should be not less than 1 supervisor, trained and experienced in the essential elements of family case work and relief administration, to supervise the work of not more than 20 investigating staff workers.

"(2) Registration records of all local applications for relief should be kept at a central office. Where no such central registration index now exists, one should be established by the local relief administration. This is absolutely necessary if duplication is to be avoided where there is more than one agency, either public or private, administering relief.

"(3) The minimum investigation shall include a prompt visit to the home; inquiry as to real property, bank accounts, and other financial resources of the family; an interview with at least one recent employer; and determination of the ability and agreement of family, relatives, friends, and churches and other organizations to assist; also the liability under the public welfare laws of the several states, of members of the family, or relatives, to assume such support in order to prevent such member becoming a public charge.

"(4) Investigation shall be made not only of persons applying directly to the office but also of those reported to it. In this emergency, it is the duty of those responsible for the administration of unemployment relief to seek out persons in need, and to secure the cooperation of

clergymen, school teachers, nurses, and organizations that might exist.

"(5) There must be contact with each family through visits at least once a month, or oftener if necessary. The local field worker should be in sufficiently close touch with the family situation to avoid the necessity of applicants reapplying to the office for each individual order.

"(6) Investigators should not be overloaded with cases. While no exact standard is being set as to the number of cases per worker, State Emergency Relief Administrators should see to it that a sufficient number of workers are utilized in each local relief district to insure reasonable investigation procedure.

"(7) Relief should be given only to persons in need of relief, and on the basis of budgetary deficiency established after careful investigation.

"(8) Duplication of relief must be avoided, and every precaution should be taken to prevent overlapping of relief agencies, both public and private.

"(9) Frequent and careful reinvestigations should be undertaken at regular intervals in order to establish the continued needs of those who are receiving relief in order to determine whether or not some member of the family may have obtained part or full-time work, which would indicate the necessity for cutting down or cutting off of relief. Where adequate staff for investigation is provided, under able direction and supervision, these reinvestigations may be carried out automatically and the relief rolls kept clear of those who do not qualify."

Q. Those rules you have just read there are the rules promulgated by the Federal Relief Commission?

A. That is a part of Rules and Regulations No. 3, which require in each county of the State where we administer relief at all that we have a trained investigator. We did not get trained investigators because they were not available in all of the counties. We have complied as nearly as we could with the Act. The Act requires also that we have case workers almost everywhere; not a great many in some cases but in some cases we had quite a few case workers.

Q. You couldn't say how many

case workers, is that right, as to the families in the entire State?

A. No, of course not. In the rural districts we have a different situation. They have so much traveling around to do they can't take care of as many as they can in the cities where they go from house to house. It is hard to set up the prescribed number of cases, number of families, but I will say that we don't have anything like as many case workers as they would permit us to have; we have kept the number down on our own initiative.

Q. I believe, Colonel, it has been established here that ordinarily the more case workers you have the more your aid is cut down.

A. That is not an absolute fact; but we have found that where we have started an intensive investigation we have been able to reduce the relief load very materially. The principal reason is that many people had gotten little jobs that they did not have when they first made this application, and they were getting funds from the Federal Government anyhow and they just kept on at their jobs. The investigation established that fact.

Q. I believe the rule there provides they shall make return calls and continue to make them. Tell us with reference to that part of the law.

A. They should call at least once a month. That has been particularly desirable since the N. R. A. started some people have been getting jobs on account of the cotton situation.

Q. Are there any other particular features of those rules that you want to discuss?

A. I would like to say that we removed through this investigation some 45,000 families, I believe, in the first fifteen days in September from the relief rolls.

Q. Is there any other section that you particularly want to discuss?

A. There are several more sections in this pamphlet here. I want to know if anybody wants to ask me any questions in regard to these—this investigation and service portion of the Act.

Q. That is all that needs to be explained?

A. That is all I can think of for the moment.

Q. Then we won't introduce that.

A. There are some more sections in here.

Q. All right, turn to the next one.

A. The next section defines and describes "Direct Relief." There is one paragraph in there that probably will be of interest (reading): "Direct relief does not include relief—where provisions is already made under existing laws—for widows or their dependents, and/or aged persons. There is further disallowed the payment of hospital bills or institutional care, and the costs of the boarding out of children."

There was a question asked this morning and I want to clarify that. In those counties where they do not have provision for the aged, old people we go ahead, may go ahead with Federal funds and take care of those people. The same thing is not true in reference to the number of counties having special provisions, where such provisions are made, Federal funds may not be used.

The rest of that section has to do with the general type of relief that may be granted as direct relief. I will be glad to read that if anybody wants to hear it.

Q. I would like to hear it.

A. (Reading): "Any or all of the following types of relief may be granted:

"(1) Food, in the form of food order, determined by the number, ages, and needs of the individual members of the family in general accordance with standard food schedules.

"(2) Orders for the payment of current rent, or its equivalent, where necessary.

"(3) Orders for light, gas, fuel, and water for current needs.

"(4) Necessary household supplies.

"(5) Clothing or orders for clothing sufficient for emergency needs.

"(6) Orders for medicine, medical supplies, and/or medical attendance to be furnished in the home.

"A broad interpretation of direct relief may be followed by the State relief administration where such is called for in meeting the immediate needs of individuals or families, or in aiding such needy persons in providing the necessities of life for themselves and/or their dependents.

"Feed for livestock cannot be allowed as a relief expenditure except feed for domestic livestock may be allowed as a relief expenditure where such allowance makes it possible for the distressed family to produce additional food for the immediate family needs"

Q. Right there I want to ask you a question. Is the Rehabilitation Commission at this time feeding any livestock in the State, at this time?

A. Yes.

Q. Where?

A. We got an exception made and feed additional livestock up to \$20.00 a month in the drouth areas and flood areas of the State.

Q. Where are those areas?

A. The drouth areas, there are two recognized drouth areas in the State, one of them consisting of seventeen counties generally in the Panhandle section of the State; those counties lying in the West Central part of the State, centering around Howard County. The hurricane section or area is the three counties, Hidalgo, Cameron and Willacy Counties. Under these special provisions we are now feeding livestock in nearly all of those counties.

Q. Your purpose in feeding the livestock, you say is to increase the food supply for families. That would be milk cows, would it?

A. Well, in this case the policy has not been announced; there has nothing been announced in the form of rules and regulations or anything in writing. It is Mr. Hopkins' policy, which we have urged, that everything be done to prevent the farmer who is hard up and discouraged from leaving his farm and going to town to get on the relief rolls in town. We don't want them to leave their farms. He can, of course, have better advantages on the farm.

Q. Any other sections there?

A. Seed for gardens may be permitted and in the Panhandle areas and in the other drought stricken areas we have made seed loans for commercial crops to but a limited amount without security.

"Tax or mortgage interest payments on real property (home and land) may be allowed in lieu of rent as a relief measure where such al-

lowance is no greater than the normal minimum relief rent allowance and when such payment of tax or mortgage interest is vitally necessary in preventing the loss of the home and the eviction of the owner.

"A liberal interpretation of direct relief as above indicated must be controlled by the rule of reason and public policy. Under no circumstances shall an allowance be made which makes provision for other than the emergency needs of the immediate family. State relief administrations are not authorized to make allowances for feed or seed to such an extent that provision is made possible for more than the individual family requirements. Likewise, tax or mortgage interest payments in lieu of rent shall be allowed only on properties occupied and held title to by relief recipients. In no event shall a relief grant be made which directly or indirectly makes possible an increased capital investment in private properties."

That is all there is in connection with the definition of "direct relief." The next section is Work Relief, which is defined as follows:

"Work relief wages in cash or in kind are to be interpreted as follows" Sub-paragraph 1, "All work relief wages shall be based upon the relief need of the individual and/or his dependents." That means that he may be permitted to work only such a length of time as will yield him to the amount of money necessary to take care of his relief needs, the relief needs being the same or approximately the same as would be extended if it was direct relief.

Senator Martin: If a man had a family of five dependent children, where another had family of one dependent child, they would need different work relief?

A. That is right.

Q. The one with five would need more time than the one with one child?

A. And would be permitted to work a longer period.

Q. You mean more days?

A. Yes, sir, more days.

Q. But you would not increase his hours or anything like that?

A. No. "The rate of wages should be a fair rate of pay for the work performed. Total compensation should meet the budgetary requirements of the relief recipient."

Since this regulation was issued there is another one which prescribed the rate of wages shall be a minimum of 30 cents an hour and that no person shall work more than forty hours.

Q. Up to that time it was one of the rules that was left optional?

A. It was left optional and the State Commissioner in turn left it optional to the county boards of welfare and employment.

"5. Work relief should be allowed only those who are employable." That made it necessary for us to start the physical examinations and determine whether or not they were employable.

"6. There shall be no discrimination because of race, religion, color, non-citizenship, political affiliation or because of membership in any special or selected group."

Q. Right there, Mr. Westbrook, do you know whether or not the organization that you have now set-up has undertaken to abide by that particular rule to the very letter?

A. I will say this, that we recognize, or rather the county boards of welfare and employment in the various sections of the State recognize that different types of citizenship have different standards of living and it requires different standards for some types of citizenship that it does for others and that difference is made and it is made with the agreement of the Emergency Relief Administration.

Q. Political affiliations, what about that?

A. Of course that has nothing to do with it. Sub-paragraph 7. "Where skilled personnel is required, skilled wages for skilled work must be paid. Such personnel taken from the work relief lists should be staggered. Where such skilled personnel is required full time, it should be provided other than on a work relief basis."

Sub-paragraph 8. "Work relief projects must be projects undertaken on Federal, State or local public properties. Work projects for private institutions of agencies, non-profit or otherwise, are therefore prohibited except as such projects undertaken by governmental units, may benefit the public health or welfare as, for example, the prosecution of a drainage project which may benefit private interests but is withal of

definite benefit to the public health of the community.

"It therefore follows that work relief may not be used in the improvement of hospitals, libraries, churches, parks, cemeteries, etc., which are privately owned or incorporated, except that if State or local public moneys are regularly contributed to the support of such institutions, and such public support creates a quasi-public institution which may receive the benefit of work relief."

Sub-paragraph 9. "Work relief projects under this Act must be for work undertaken by a State or local relief administration independent of work under a contract or for which an annual appropriation has been made. It must be, in general, apart from normal governmental enterprises and not such as would have been carried out in due course regardless of an emergency.

"The construction, as a work relief project, of public buildings, such as schools, firehouses, garages, etc., would in general not be acceptable as a proper work relief project, such construction falling within the usual contract work which would provide labor for those unemployed at large."

We have been able to get exceptions made where it had been shown that a school, for example, had absolutely no resources and school could not be conducted unless work relief were provided for repair of the school.

Sub-paragraph 10. "Persons employed on work relief projects are not Federal employees and the premiums for their compensation or accident insurance may not be paid from Federal funds. If such insurance is provided, it therefore must be carried by State or local moneys.

"Persons employed on work relief projects by the states and their subdivisions ought to be covered by compensation or accident insurance."

Sub-paragraph 11. "All local work relief projects must be submitted for approval to the State Emergency Relief Administration."

Up until recently, the issuance of this order, work relief projects were carried out on the initiative of the local relief boards or committees, as the case might be.

Q. Now those projects that you

mention in there, does the State Commission pass upon those at that time or are they sent on to another place?

A. No; since this rule went into effect we have been requiring the approval of those projects by the State Commission, however we have not done much work relief; our funds have been so limited the last two months that we have not had the funds to do it.

Q. Is there any other section there that could be explained?

A. I believe not unless there is something someone wants to ask.

Senator Martin: I would not want it to occur later on that someone should come in and say, "I didn't know" so and so. I want to introduce that entire pamphlet.

Colonel Westbrook: We have in here work relief for transients, which has been taken care of.

Chairman Purl: You ask that that entire pamphlet go in the record?

Senator Martin: Yes, sir. Mr. Chairman, my purpose in producing this testimony; it is all rules and regulations as have been promulgated by the Federal Government, some of us may be very familiar with them and some may not—these matters are to be submitted to the Senate for its determination and we expect these matters to become a permanent record at least for a time. We don't want it charged against us or charged against Colonel Westbrook that we are holding back anything and have anybody say, "If we had known so and so we would have acted different."

Chairman Purl: Senator Martin has asked that the document go in the record. If there is no objection it will go in as offered.

(The following was made a part of the record):

Supplement to Rules and Regulations Governing Expenditures of Federal Emergency Relief Funds.

Supplement to Rules and Regulations No. 1.

Rule No. 1 stated: "Grants of Federal emergency relief funds are to be administered by public agencies after August 1, 1933." The rule further stated, "This ruling prohibits

the turning over of Federal Emergency Relief funds to a private agency. The unemployed must apply to a public agency for relief and this relief must be furnished directly to the applicant by a public agent."

Three points need to be clarified:

(a) Public agency.

(b) Public agent or public official.

(c) Use of private agency personnel.

(a) Public Agency.—A public welfare department, supported by tax funds and controlled by local government, if approved by the State emergency relief administration to administer unemployment relief, is a "public agency." Where a public welfare department does not exist and a local unemployment relief administration is responsible for unemployment relief this local unemployment relief administration, in order to be recognized as a "public agency" in the meaning of that term as used in Rules and Regulations No. 1, must have the following factors:

(1) It must have the full sanction and recognition of the State emergency relief administration.

(2) It must be vested with full authority and control in the expenditure of State and Federal public funds appropriated for local relief purposes.

(3) It must conform to the rulings of the State emergency relief administration.

(4) It must keep such records and forms as are required by the State emergency relief administration.

Note.—This interpretation recognizes as a "public agency," an agency created and sustained by executive action in the absence of creative local legislation.

(b) Public Official or Public Agent.—"Public official" or "public agent" in the meaning of the term as used in Rules and Regulations No. 1, includes every person who is engaged in carrying out the purposes of the public agency, and so must be:

(1) A member of the official staff of the public agency responsible to the chief executive employed by the public agency to administer the entire organization of unemployment

relief. This relationship must be made official by definite appointment and acceptance of such appointment.

(2) The compensation of the "public official" or "public agent" may or may not be paid from public funds. Such official may be loaned by a private agency, but when so loaned must become a member of the official staff of public agency.

(c) Use of Personnel Loaned by Private Agency.—The public agency may make use of personnel of private agencies provided—

(1) Where such personnel is used for the giving of unemployment relief it becomes for the time being an integral part of the public agency. The public agency must assume full responsibility over personnel loaned by the private agency.

(2) That visible evidence of the integration into the public agency is provided as follows:

a. The name of the public agency clearly set out on the office door so that clients may know that they are applying to a public agency for relief.

b. All order forms must be those of the public agency; receipts must be made out to the public agency; identification cards of relief workers must be as staff members of the public agency and relief workers at all times in handling unemployment relief clients must report themselves as public agents or officials.

c. All bills for direct relief, wages for work relief, service or administration costs must be paid directly by the public agency; e. g., when grocery orders are issued by the relief worker the bills must be paid by the public agency directly to the grocer and not through a private agency.

d. It is expected that on other matters than the determination of relief there will be cooperative relationships established between public agencies and private agencies, but the public agency shall not pay for supplemental services so rendered by private agencies.

Adequacy of Relief.

(Either work relief or direct relief.)

Relief shall be given as provided in this Act to all needy unemployed

persons and/or their dependents. Those whose employment or available resources are inadequate to provide the necessities of life for themselves and/or their dependents are included.

This imposes an obligation on the State emergency relief administration and on all the political subdivisions of the states administering relief, in so far as lies in their power, to see to it that all such needy unemployed persons and/or their dependents shall receive sufficient relief to prevent physical suffering and to maintain minimum living standards.

It also imposes an obligation on the part of the State emergency relief administration and the local relief administration to see that no relief is given to persons unless they are actually in need, and that such relief as is allowed is adjusted to the actual needs of each individual or family.

At the same time the obligation exists to develop maximum efficiency and economy in the furnishing of relief, with a minimum of delay in providing relief to those in distress.

The amount of relief to be given must be based on the following:

(1) An estimate of the weekly needs of the individual or family including an allowance for food sufficient to maintain physical well-being, for shelter, the provision of fuel for cooking and for warmth when necessary, medical care and other necessities. Taxes may be allowed in lieu of allowances for shelter, and not to exceed the normal rent allowance—providing such tax allowance is necessary in order to maintain the shelter or home of the relief recipient.

(2) An estimate of the weekly income of the family, including wages or other cash income, produce of farm or garden, and all other resources.

(3) The relief granted should be sufficient to provide the estimated weekly needs to the extent that the family is unable to do so from its own resources.

Any or all of the following types of relief may be allowed under direct relief or under work relief;

(1) Food, and/or food orders or allowance, determined by the num-

ber, ages, and needs of the individual members of the family in general accordance with standard food schedules.

(2) Orders or allowances for the provision of shelter, or its equivalent, where necessary.

(3) Orders or allowances for light, gas, fuel, and water for current needs.

(4) Orders or allowances for necessary household supplies.

(5) Clothing or orders or allowances for clothing sufficient for emergency needs.

(6) Orders or allowances for medicine, medical supplies, and/or medical attendance to be furnished in the home.

See further interpretation under "Direct relief."

Investigation and Service.

(Work relief and direct relief.)

To carry out the purposes of the Federal Emergency Relief Act of 1933 the investigation of all applications for direct and/or work relief is required. The following rules are hereby established:

(1) Each local relief administration should have at least one trained and experienced investigator on its staff; if additional investigators are to be employed to meet this emergency, the first one employed should have had training and experience. In the larger public welfare districts, where there are a number of investigators, there should be not less than one supervisor, trained and experienced in the essential elements of family case work and relief administration, to supervise the work of not more than 20 investigating staff workers.

(2) Registration records of all local applications for relief should be kept at a central office. Where no such central registration index now exists, one should be established by the local relief administration. This is absolutely necessary if duplication is to be avoided where there is more than one agency, either public or private, administering relief.

(3) The minimum investigation shall include a prompt visit to the home; inquiry as to real property, bank accounts, and other financial resources of the family; an inter-

view with at least one recent employer; and determination of the ability and agreement of family, relatives, friends, and churches and other organizations to assist; also the liability under public welfare laws of the several states, of members of a family, or relatives, to assume such support in order to prevent such member becoming a public charge.

(4) Investigation shall be made, not only of persons applying directly to the office but also of those reported to it. In this emergency, it is the duty of those responsible for the administration of unemployment relief to seek out persons in need, and to secure the cooperation of clergymen, school teachers, nurses, and organizations that might assist.

(5) There must be contact with each family through visits at least once a month, or oftener if necessary. The local field worker should be in sufficiently close touch with the family situation to avoid the necessity of applicants reapplying to the office for each individual order.

(6) Investigators should not be overloaded with cases. While no exact standard is being set as to the number of cases per worker, State emergency relief administrators should see to it that a sufficient number of workers are utilized in each local relief district to insure reasonable investigation procedure.

(7) Relief should be given only to persons in need of relief, and on the basis of budgetary deficiency established after careful investigation.

(8) Duplication of relief must be avoided, and every precaution should be taken to prevent overlapping of relief agencies, both public and private.

(9) Frequent and careful reinvestigation should be undertaken at regular intervals in order to establish the continued need of those who are receiving relief in order to determine whether or not some member of the family may have obtained part of full-time work, which would indicate the necessity for cutting down or cutting off of relief. Where adequate staff for investigation is provided, under able direction and supervision, these reinvestigations may be carried out automatically

and the relief rolls kept clear of those who do not qualify.

Direct Relief.

Such relief shall be in the form of food, shelter, clothing, light, fuel, necessary household supplies, medicine, medical supplies, and medical attendance, or the cash equivalent of these to the person in his own home.

Direct relief does not include relief—where provision is already made under existing laws—for widows or their dependents, and/or aged persons. There is further disallowed the payment of hospital bills or institutional care, and the costs of the boarding out of children.

Any or all of the following types of relief may be granted:

(1) Food, in the form of food order, determined by the number, ages, and needs of the individual members of the family in general accordance with standard food schedules.

(2) Orders for the payment of current rent, or its equivalent, where necessary.

(3) Orders for light, gas, fuel, and water for current needs.

(4) Necessary household supplies.

(5) Clothing or orders for clothing sufficient for emergency needs.

(6) Orders for medicine, medical supplies, and/or medical attendance to be furnished in the home.

A broad interpretation of direct relief may be followed by the State relief administration where such is called for in meeting the immediate needs of individuals or families, or in aiding such needy persons in providing the necessities of life for themselves and/or their dependents.

Feed for livestock cannot be allowed as a relief expenditure except feed for domestic livestock may be allowed as a relief expenditure where such allowance makes it possible for the distressed family to produce additional food for the immediate family need.

Seed for gardens under the same reasoning may likewise be allowed as a relief measure.

Tax or mortgage interest payments on real property (home and land) may be allowed in lieu of rent as a relief measure where such

allowance is no greater than the normal minimum relief rent allowance and when such payment of tax or mortgage interest is vitally necessary in preventing the loss of the home and the eviction of the owner.

A liberal interpretation of direct relief as above indicated must be controlled by the rule of reason and public policy. Under no circumstances shall an allowance be made which makes provision for other than the emergency needs of the immediate family. State relief administrations are not authorized to make allowance for feed or seed to such an extent that provision is made possible for more than the individual family requirements. Likewise, tax or mortgage interest payments in lieu of rent shall be allowed only on properties occupied and held title to by relief recipients. In no event shall a relief grant be made which directly or indirectly makes possible an increased capital investment in private properties.

Work Relief.

(Work relief wages and projects.)

Work relief wages in cash or in kind are to be interpreted as follows:

(1) All work relief wages shall be based upon the relief need of the individual and/or his dependents.*

*See further interpretation under "Direct Relief" and "Adequacy." Allowances on work relief may be made to cover food, shelter, clothing, light, fuel, necessary household supplies, medicine, medical supplies, and medical attendance.

(2) The rate of wages should be a fair rate of pay for the work performed. Total compensation should meet the budgetary requirements of the relief recipient.

(3) Payment shall be by check, in cash, or in kind.

(4) Allowance should be on the basis of day's wages, or the equivalent, for the hours worked.

(5) Work relief should be allowed only those who are employable.

(6) There shall be no discrimination because of race, religion, color, non-citizenship, political affiliation, or because of membership in any special or selected group.

(7) Where skilled personnel is

required, skilled wages for skilled work must be paid. Such personnel taken from the work relief lists should be staggered. Where such skilled personnel is required full time, it should be provided otherwise than on a work relief basis.

(8) Work relief projects must be projects undertaken on Federal, State, or local public properties. Work projects for private institutions or agencies, non-profit or otherwise, are therefore prohibited except as such projects, undertaken by governmental units, may benefit the public health or welfare as, for example, the prosecution of a drainage project which may benefit private interests but is withal of definite benefit to the public health of the community.

It therefore follows that work relief may not be used in the improvement of hospitals, libraries, churches, parks, cemeteries, etc., which are privately owned or incorporated, except that if State or local public moneys are regularly contributed to the support of such institutions, and such public support creates a quasi-public institution which may receive the benefit of work relief.

(9) Work relief projects under this Act must be for work undertaken by a State or local relief administration independent of work under a contract or for which an annual appropriation has been made. It must be, in general, apart from normal governmental enterprises and not such as would have been carried out in due course regardless of an emergency.

The construction, as a work-relief project, of public buildings, such as schools, firehouses, garages, etc., would in general not be acceptable as a proper work relief project, such construction falling within the usual contract work which would provide labor for those unemployed at large.

(10) Persons employed on work relief projects are not Federal employees and the premiums for their compensation or accident insurance may not be paid from Federal funds. If such insurance is provided, it therefore must be carried by State or local moneys.

Persons employed on work relief

projects by the states and their subdivisions ought to be covered by compensation or accident insurance.

(11) All local work relief projects must be submitted for approval to the State emergency relief administration.

Relief for Transients.

Section 4 (c) of the Federal Emergency Relief Act of 1933 provides "that the administrator may certify out of the funds made available by this subsection additional grants to states applying therefor to aid needy persons who have no legal settlement in any one state or community."

For the purposes of this Act, settlement shall be defined as residence within a state for a period of one continuous year or longer. Hence, all persons in need of relief who have not resided within the boundaries of a state for 12 consecutive months, may be considered as proper claims on the Federal Emergency Relief Administration under the above section.

Persons who have resided in a state for more than a year, as defined above, but who may be termed "transient" in that they may not have acquired legal state or local settlement, are to be classified as coming within the usual meaning of relief under Section 4 (a) of the Act, the reimbursement on the costs of relief to such persons to be handled in the regular manner under that section.

Programs and projects for the care of transients shall be approved by and be under the direction and supervision of the State emergency relief administration. A description of such plans and projects including the number of transients to be cared for, the program contemplated and the probable cost of such program shall be submitted by the State emergency relief administration to the Federal Emergency Relief Administration upon request for Federal funds.

The State emergency relief administration shall file with the Federal Administrator such reports as he may require with reference to requests for and expenditure of funds allowed for transient persons as de-

financed above under Section 4 (c) of the Act.

Transients may be provided for under either direct relief or through work relief.

Emphasis should be placed upon the prevention of transiency by adequate programs of work, of relief, and of morale maintenance in all communities, in order to prevent the continued drift of populations.

There will be set up in the Federal Emergency Relief Administration a department on transients which will cooperate with the State emergency relief administrations in establishing permanent policies and standards of service to transients.

The Federal Emergency Relief Administration requests the states to submit within a reasonable time programs and plans for the care of transients within the respective states. If acceptable plans are presented, grants to states will be made over and above the grants made for direct relief and work relief.

Self-Help and Barter.

Under subsection (c) of Section 4 of the Federal Emergency Relief Act of 1933 the administrator is empowered "to aid in assisting cooperative and self-help associations for the barter of goods and services."

The following rules and regulations have been drawn up by the Federal Emergency Relief Administration governing appropriations to be made under this section:

1. All applications must be made through the State relief administration and receive the approval of that administration before they will be considered by the Federal Emergency Relief Administration.

2. It is to be definitely understood that expenditures on any of these units are to be considered as experimental ones, and until such units prove that they either have actually reduced the relief expense, and at the same time given adequate relief, or prevented a rise in the relief expense they shall be considered in this experimental light.

3. Upon the approval by the State relief administration and the request by it for funds to establish the barter unit and after approval by the Federal Relief Administration, funds will be forwarded to the State relief administration which will

be over and above the regular relief appropriation. These funds shall be ear-marked for the specific purpose of establishing the barter unit.

4. The State relief administration is advised to keep in as close touch as possible with any unit that is set up under its recommendation. It should require reports from the unit from time to time on expenditures of funds and on the progress being made. These reports should be on file with both the State administration and the Federal Administration.

5. If any State relief administration wishes to make an experiment of its own without using an already existing barter unit such application will of course be given immediate consideration upon the filing of the plan of organization with this office.

Senator Martin: Colonel Westbrook, haven't you another set of rules there?

A. I am sending for them. They had an explanation of them. If I may, I will refer to No. 7. Four and five have to do with this wage scale and I think everybody understands it. Here is No. 6, which merely requires that all purchases made with Federal funds for relief be made from stores which have complied with the N. R. A.

Senator Martin: We want to introduce that in the record also.

(The following was made a part of the record):

"August 15, 1933.

Federal Rule and Regulation No. 6.

On and after this date you are advised that purchases of supplies with Federal funds shall be made only with stores that have complied with all the provisions of an applicable approved code or, if there be no approved code of fair competition for such stores, then with the provisions of the President's Re-employment Agreement. The same regulation applies to all orders given to relief cases."

Colonel Westbrook: No. 7 covers the provision of medical care. It is quite a lengthy document and that is all it does.

Senator Martin: I would like to embrace that in the record also.

Chairman Purl: Senator Martin

offers that to be placed in the record and if there is no objection it will be so done.

(Following placed in the record):

"Federal Emergency Relief Administration, Washington, D. C.

**Rules and Regulations
No. 7.**

**Governing Medical Care Provided in
the Home to Recipients of
Unemployed Relief.**

Introduction.

The conservation and maintenance of the public health is a primary function of our Government. In this emergency, the ingenuity of Federal, State, and local relief officials is being taxed to conserve available public funds and, at the same time, to give adequate relief to those in need. To assist State and local relief administration in the achievement of these aims, with regard to medical care, two steps have been taken: First, to define the general scope of authorized medical care, where the expenditure of Federal emergency relief funds is involved; and second, to establish general regulations governing the provision of such medical care to recipients of unemployment relief.

General Scope.

(Extracted from rules Nos. 1 and 3, previously established.)

Promulgated on June 23, 1933, Rule No. 1, Section (b), stated:

'Grants made to the states from Federal funds under the Federal Relief Act of 1933 may be used for the payment of medical attendance and medical supplies for those families that are receiving relief.'

The permission granted under this Section (b) was more sharply defined in the same rule, in Section (d), which stated in part:

'These funds may not be used for the payment of hospital bills * * *, or for providing general institutional care. These necessary services to the destitute should be made available through State or local funds.'

In the section on "Direct Relief" of Rule No. 3, promulgated on July 15, 1933, medical care in the home was listed as item 6 in the list of

the types of relief that may be provided to relief cases, viz:

"6. Orders for medicine, medical supplies and/or medical attendance to be furnished in the home." Under the same rule, adequacy of such relief is made "an obligation on the State Emergency Relief Administration and on all the political subdivisions of the states administering relief * * *"

The scope of medical care as above defined shall be construed to include: Bedside nursing care, as an adjunct to medical care; and emergency dental service for those families that are receiving relief.

**Regulations Governing Medical Care
Provided in the Home to Re-
cipients of Unemployment
Relief.**

The following regulations, governing the provision in the home of medical care (includes "medicine, medical supplies and/or medical attendance") to persons eligible for unemployment relief, are hereby established.

1. Policy.—A uniform policy with regard to the provision of medical, nursing, and dental care for indigent persons in their homes, shall be made the basis of an agreement between the relief administration and the organized medical, nursing and dental professions, State and/or local. The essence of such a policy should be:

(a) An agreement by the relief administration to recognize within legal and economic limitations, the traditional family and family physician relationship in the authorization of medical care for indigent person in their homes; the traditional physician-nurse relationship in the authorization of bedside nursing care; the traditional dentist-patient relationship in the authorization of emergency dental care; and

(b) An agreement by the physician, nurse (or nursing organization), and dentist to furnish the same type of service to an indigent person as would be rendered to a private patient, but that such authorized service shall be a minimum consistent with good professional judgment, and shall be charged for at an agreed rate which makes due allowance for the conservation of relief funds.

The common aim should be the provision of good medical service at a low cost—to the mutual benefit of indigent patient, physician, nurse, dentist, and taxpayer.

The policy adopted shall be to augment and render more adequate facilities already existing in the community for the provision of medical care by the medical, nursing, and dental professions to indigent persons. It shall imply continuance in the use of hospitals, clinics, and medical, dental, and nursing services already established in the community and paid for, in whole or in part, from local and/or State funds in accordance with local statutes or charter provisions. Federal emergency relief funds shall not be used in lieu of local and/or State funds to pay for these established services.

The phrase "in their homes" shall be interpreted to include office service for ambulatory patients, with the understanding that such office service shall not supplant the services of clinics already provided in the community.

2. Procedure.—A uniform procedure for authorization for medical, nursing, and dental care in the home shall be established by each State and/or local emergency relief administration. This procedure shall not be in conflict with the following requirements:

(a) Written Order.—All authorizations for medical, nursing, and dental care shall be issued in writing by the local relief officer, on the regular relief order blank, prior to giving such care; except that telephone authorization shall immediately be followed by such a written order; and provided that authorizations for bedside nursing care shall be based on a recommendation by the attending physician, in cases where a physician is in attendance, who shall certify to the need for nursing service as part of the medical care. Authorizations for medicine and medical supplies shall also be issued in writing and, in general, such authorizations shall not be issued except upon written request of the physician authorized to attend the person for whose use they are desired.

(b) Acute Illness.—Authorizations for medical care for acute ill-

ness shall be limited to a definite period and a maximum expenditure or number of visits (i. e., not more than 2 weeks or 10 visits), according to the standard agreement made between relief officials and physicians under regulation 1. Medical care in excess of this period shall not be authorized until after a re-investigation of the case in the home by the local emergency relief administration.

(c) Chronic Illness.—Medical care for prolonged illnesses, such as chronic asthma, chronic heart disease, chronic rheumatism, diabetes, etc., shall be authorized on an individual basis, and, in general, visits shall be limited in frequency (i. e., not more than 1 visit per week for a period not exceeding 2 or 3 months) by agreement. Nursing care for such chronic illnesses shall, in general, be authorized in accordance with the need for such care as indicated by the attending physician. If necessary, more frequent visits, by the physician or nurse, for an acute attack occurring in the course of a chronic illness, may be authorized. Care for chronic illness authorized under this section shall supplement and not supersede existing community services, such as visiting nursing service or institutional care.

(d) Obstetrical Care.—Authorization for obstetrical service in the home shall include an agreed minimum number of prenatal visits (where possible), delivery in the home, and necessary postnatal care. Due caution shall be exercised that this authorization for delivery in the home does not involve undue risk to the patient for whom hospital care may be imperative. The physician authorized to attend the confinement in the home shall be responsible for certifying to the local relief administration that, in his professional judgment, delivery in the home will be safe.

(e) Special Services.—Medical and nursing services not covered above shall be authorized on an individual basis, subject to the general provisions of the agreement made under regulation 1. Special dental service shall be subject to a similar procedure.

Medical care shall not ordinarily be authorized by relief administra-

tions for conditions that do not cause acute suffering, interfere with earning capacity, endanger life, or threaten some permanent new handicap that is preventable when medical care is sought.

(f) Accessory Services.—Emergency dental care and bedside nursing service, for indigent persons in their homes, may be authorized subject to the existing general policy of the State and/or local relief administration.

(1) Dental care shall, in general, be restricted to emergency extractions and repairs. Dentists and dental care shall be subject to the same general restrictions indicated for physicians under regulation 1.

(2) Bedside nursing care, where authorized, shall conform to a procedure comparable to the one outlined for physicians above, and shall be provided under an agreement made between relief administrations and nursing organizations, State and/or local, under the same principles suggested for physicians under regulation 1. Standards of accredited local nursing organizations shall be followed by nurses giving authorized bedside nursing care to indigent persons in their homes. Such authorized bedside nursing care shall not supersede or supplant existing local official services giving such care under the provisions of local law.

(g) Fee Schedule.—The agreement between the State and/or local relief administration and the organized professional groups of physicians, nurses, and dentists, State and/or local, established under regulation 1, shall include a fee schedule covering the basic and special services outlined in sections (b) to (f), inclusive, of this regulation. In the interests of simplified accounting it is suggested: That a flat rate be established, on a per visit basis for the usual care given to acute and chronic illness (Sections (b) and (c) above), for attendance at confinement (Section (d) above), for emergency extractions (Section (f) above), and for a bedside nursing visit (Section (f) above); and that all special services (medical, nursing, or dental) be covered by an agreed reduction from the usual minimum fee schedule for such services with an agreed maximum

fee. A recognized differential in fee shall be established between a home and an office visit. All fees shall be established on the basis of an appreciable reduction from the prevailing minimum charges for similar services in the State and local communities, with due recognition of the certainty, simplicity and promptness of payment that authorization from the local relief administration insures.

This schedule shall only apply where the expenditure of Federal relief funds is involved and shall not preclude the payment of additional amounts from local funds.

Where bedside nursing care is authorized, the flat rate per visit shall be established by agreement at not to exceed the certified cost per visit established for accredited visiting nursing organizations in the State or local district.

(h) Bills.—Physicians, nurses (or nursing organizations), and dentists who are providing authorized medical care to indigent persons in their homes shall submit to the local relief official, monthly (within 10 days after the last day of the calendar month in which such medical care was provided, an itemized bill for each patient. Each bill shall be chronologically arranged and shall contain at least enough information to permit proper audit (i. e., name, age, and address of patient; general nature of illness or diagnosis; whether home or office treatment; dates of service; and status of case at end of month—cured, sent to hospital, dead, needs further care, etc.). Bills for medical care shall be accompanied by the original written order for such care, except for cases in which medical service under an authorization has not terminated during the calendar month covered by the bill, in which cases the bill shall show, in addition to the details required above, the date and serial number of the outstanding order. Retroactive authorizations shall not be issued or honored for payment.

Bills for special and accessory services, outlined under Sections (e) and (f) above, shall give full details of such services, and bills for medicines and medical supplies, under (i) below, shall be subject to the same general requirements. Bills for drugs shall list the name

and quantity of each. The formula and number of each prescription costing more than 25 cents shall be submitted with or made a part of the pharmacist's bill.

Note. The submission of bills and their audit and authorization for payment will be simplified if the State emergency relief administration provides a suitable bill form.

(i) Medicine and Medical Supplies.—Physicians providing authorized medical care to indigent persons shall use a formulary which excludes expensive drugs where less expensive drugs can be used with the same therapeutic effect. When expensive medication is considered essential by the authorized attending physician it may be authorized after consultation with the local medical advisory committee.

Prescriptions for necessary drugs and medicine shall be restricted to the National Formulary or the United States Pharmacopeia. To avoid excessive expenditures for remedies of unknown or doubtful value proprietary or patent medicines shall not be authorized.

State and/or local relief officials are urged to make trade agreements with pharmaceutical organizations and druggists for uniform or reduced rates for prescriptions.

Authorizations for medical supplies shall be restricted to the simplest emergency needs of the patient consistent with good medical care.

In general, authorizations for medicine and medical supplies shall not be issued except upon written request of the physician authorized to attend the person for whose use they are desired.

3. Authority.—The State emergency relief administration, responsible for the distribution of Federal and State emergency relief funds to local relief administrations, shall give approval to such statements of policy, proposed fee schedules, and detailed procedures, governing the provision of medical, nursing, and dental care in the home to recipients of unemployment relief, as may be established by State and/or local relief administrations, in accordance with the provisions of regulations 1 and 2, above, before such policies, schedules, and procedures shall take effect. It shall be the responsibility of the State emergency re-

lief administration to formulate a program of medical, nursing, and dental care for indigent persons in their homes, which shall not be in conflict with the provisions of regulations 1 and 2, above, and to make sure, by giving or withholding approval, that analogous programs formulated by local relief administrations shall not be in conflict with such State program.

(a) State and Local Professional Advisory Committees.—State and local relief administrations shall request the presidents of the State and local medical, nursing, dental and pharmaceutical organizations, respectively, to designate an existing committee or appoint a special committee, to advise them in the formulation and adoption of adequate programs for medical, nursing, and dental care in the home for indigent persons. The relief administrations shall be responsible for the final adoption of such programs. The medical, nursing, dental, and pharmaceutical advisory committee can assist these administrations in maintaining proper professional standards and in enlisting the cooperation of the constituent, professional membership in such programs. Local medical, nursing, and dental programs submitted to the State relief administration for approval should be submitted to the appropriate professional advisory committee for comment, before final approval is given. The appropriate professional advisory committees should be consulted by relief administrations with regard to disputed problems of medical, nursing, and dental policy and practice.

(b) Licensed Practitioners of Medicine and Related Professions.—When a program of medical care in the home for indigent persons has been officially adopted, participation shall be open to all physicians licensed to practice medicine in the State, subject to local statutory limitations and the general policy outlined in regulation 1, above. Physicians authorized by relief officials to give medical care under this program shall have accepted, or shall be willing to accept, the regulations and restrictions inherent in such a program. In order to provide adequate medical care it may be desirable for local relief officials to main-

tain on a district basis a list or file of physicians in the community who have agreed in writing to comply with the officially adopted program. Such a list of physicians should also facilitate a more equitable distribution of orders for medical services.

A similar policy and procedure shall be followed in the preparation of approved lists of nurses, dentists, and pharmacists. Licensure and/or registration to practice their respective professions in the State shall be a prerequisite to approval of graduate nurses, dentists, and pharmacists for authorized participation in the officially approved State program for the provision of medical care for indigent persons in their homes.

(c) State Program for Medical Care to Indigent Persons in Their Homes.—When the State Emergency Relief Administration has adopted a uniform program for medical, nursing, and dental care for indigent persons in their homes, in accordance with these rules, a copy of such program, including the statement of policy, fee schedules, and detailed procedures, shall be filed immediately with the Federal Emergency Relief Administration."

The following bulletin was read by Colonel Westbrook:

Federal Emergency Relief Administration, Office of Administrator
Washington.

September 26, 1933.

To all State Emergency Relief Administrations:

This will serve to recall to you two items administrative policy which I announced at the meeting of Governors and State relief administrators in Washington, on June 14. These were:

(1) The approval by this administration of the qualifications and salary of all persons employed by the State administrations who are paid from Federal funds. This must be understood to include any salary increases granted to persons now so employed. The field representatives of this administration whose territory includes your State is authorized to extend or withhold this approval.

(2) The approval by this administration of the statistical, re-

search, and accounting organization set up within each State.

Sincerely yours,

(Signed) HARRY L. HOPKINS,
Administrator.

Senator Martin: We want to introduce that instance. Is there any explanation you want to make, colonel?

A. I want to say only this, that the Federal Emergency Relief Administration is requiring examinations to be conducted of some of these people who are supposed to be statisticians and trained accountants and we are having to lose a whole lot of them on account of that. We are losing them because they are unable to meet these requirements. Also two of these departments, that is the statistical research and the accounting organization must be approved by the Federal Emergency Relief Administration and ours has been so approved.

Q. Have you any others?

A. Only those two which we left out and which I have sent for.

Senator Martin: We will ask for those to go in.

A. They only refer to the thirty cents an hour.

The following rules and regulations were introduced in evidence.

"Rules and Regulations Nos. 4
and 5.

"No. 4. Rules Governing Conditions of Employment on Work Relief Projects.

"I. On and after August 1, 1933, State and local relief administrations may not employ any persons under sixteen years of age on work relief projects.

"II. Rates of Pay.—On and after August 1, 1933, grants made under the Federal Emergency Relief Act of 1933 can be used in paying work relief wages only at or above thirty cents (30c) an hour. The local prevailing rate of pay for the type of work performed should be paid if it is in excess of 30c per hour.

"III. On and after August 1, 1933, no one employed on a work relief project shall be allowed to work more than eight (8) hours in any one day, nor more than thirty-five (35) hours in any one week (or one hundred and fifty hours (150)

in any one month) if the work involved is physical labor. If the work relief project is in an office (involving the use of the clerical employees, et cetera) no one shall be allowed to work more than eight (8) hours in any one day nor more than forty (40) hours in any one week. The number of hours of work-relief given per week or per month should be only enough to provide for the budgetary needs of the family.

"No. 5. Rules Governing Employment of Personnel on Administrative Payroll Under the Federal Emergency Relief Act of 1933.

"I. On and after August 1, 1933, State and local relief administrations may not employ any persons under sixteen years of age.

"II. State and local relief administrations may not employ anyone for more than forty (40) hours in any one week (except those in managerial or executive positions).

"III. State and local relief administrations may not employ anyone for less than \$15 per week in any city of over 500,000 population, or the immediate trade area of such city; nor less than \$14.50 per week in any city of between 250,000 and 500,000 population, or in the immediate trade area of such city; nor less than \$14 per week in any city of between 2,500 and 250,000 population, or in the immediate trade area of such city. In towns of less than 2,500 population all wages are to be increased by not less than 20 per cent, provided that this shall not require wages in excess of \$12 per week."

Senator Martin: We have a list of people who have sent in letters and telegrams endorsing this present matter of relief work. We have letters and telegrams and everything in the files if anybody wishes to see them. There is F. F. Florence of Dallas, Will Strus of Houston, J. Willis Johnson of San Angelo, W. W. Woodson, Waco, Texas; Frank Davis, A. C. Stuart of Texarkana, Frank Thompson, etc. All of them as we all think are outstanding citizens of this State and are capable of passing upon the question before us at this time with some degree of intelligence at least.

Chairman Purl: What do you want to offer?

Senator Martin: That list with

the explanation I have made. Colonel Westbrook has in his files letters and telegrams from each or every one of them advocating the present set-up and commending the way in which the relief funds have been handled. I hand that in without encumbering the record with the letters and telegrams themselves.

Senator Rawlings: May I ask to whom they are addressed?

Senator Martin: Colonel Westbrook and some of them to different members of the Senate.

Senator Rawlings: Of what dates?

Senator Martin: Well, all recent, most of them I think about the eighteenth, is it not, colonel?

Colonel Westbrook: I think so. I did not solicit any of these things and did not solicit that they go in the record.

Senator Martin: This is purely my suggestion.

Senator Small: You could go interminably on that question. I could furnish you just as many the other way.

Senator Martin: Well, it is a fight proposition, and we feel like the opinion of these people who are outstanding people of our State ought to go in the record.

Chairman Purl: You want the names to go in the record stating they are backed up by letters or telegrams on file in Colonel Westbrook's office?

Senator Martin: Addressed either to him or some member of the Senate.

Chairman Purl: You want this to go in as a white or yellow sheet?

Senator Martin: It is written on yellow sheets but hasn't any yellow matter in it, hasn't any black book or black satchel.

(The following names and addresses were introduced in evidence:)

F. F. Florence, Dallas, Dallas County.

Will Straus, Houston, Harris County.

J. Willis Johnson, San Angelo, Tom Green County.

W. W. Woodson, Waco, McLennan County.

Frank Davis, Marshall, Harrison County.

A. C. Stuart, Texarkana, Bowie County.

Frank Thompson, Sherman, Grayson County.

Rev. Marius Chataignon, Galveston County.

Sterling P. Hart, Commerce, Hunt County.

Leon Shield, Coleman, Coleman County.

A. Milton Vance, Beaumont, Jefferson County.

Earl Cogdell, Granberry, Hood County.

Rufus Higgs, Stephenville, Erath County.

B. B. Hulsey, Terrell, Kaufman County.

F. H. Black, Higgins, Lipscomb County.

Mrs. C. E. King, Corsicana, Navarro County.

D. A. Ponter, Orange, Orange County.

Reagan McCrary, Calvert, Robertson County.

David de Graffenreid, Chilton, Falls County.

Jake Loy, Sherman, county judge, Grayson County.

Archie Underwood, Athens, Henderson County.

J. D. Motley, Ballinger, Runnels County.

T. N. Carswell, Abilene, Taylor County.

Dr. W. E. Gettys, Austin, Travis County.

A. G. Livingston, Hamilton, Hamilton County.

T. A. Low, Brenham, Washington County.

A. E. Taylor, Belton, Bell County.

W. D. Armstrong, Brownwood, Brown County.

L. M. Stinnett, Gatesville, Coryell County.

A. G. Easterling, Groesbeck, Free-stone County.

Alex. Schneider, Pampa, Gray County.

S. A. Lindsey, Tyler, Smith County.

Geo. P. Barron, Yoakum, Yoakum County.

A. L. Duff, Seminole, Gaines County.

J. C. Estlack, Clarendon, Donley County.

H. H. Thadle, Aspermont, Stone-wall County.

L. K. Crawford, Bonham, Fannin County.

J. F. Grisby, Palestine, Anderson County.

John Jenkins, Decatur, Wise County.

C. B. Lates, Stratford, Sherman County.

G. F. Wallace, Madisonville, Madison County.

B. E. Beene, Jewett, Leon County.

Peter Andregg, Menard, Menard County.

J. H. Carpenter, Baird, Callahan County.

W. A. Hewatt, Eagle Pass, Maverick County.

A. W. Cunningham, Brownsville, Cameron County.

J. Lindsay Nunn, Amarillo, Potter County.

E. B. House, San Saba, San Saba County.

B. R. Brown, Greenville, Hunt County.

W. D. Colvin, Waxahachie, Ellis County.

E. L. Covey, Goree, Knox County.

L. L. Amason, Channing, Hartley County.

Warren Veale, Wheelock, Wheeler County.

C. E. Way, Colorado, Mitchell County.

L. J. Greer, Sweetwater, Nolan County.

Gus Blankenship, Rusk, Cherokee County.

M. T. Daniels, Liberty, Liberty County.

Senator Martin: Mr. Chairman,

at the present time that is all we have to offer.

Chairman Purl: Are there any

further questions from this witness

at this time?

Senator DeBerry: Mr. Westbrook,

this morning Senator Woodward in

asking the question about supple-

menting the salaries—I will be plain

to state I did not understand it. Do

you mean that suppose a county

official in my county, the county

commissioner or somebody draws a

salary or compensation from the

county and then works for the relief

commission can draw money from

them at the same time?

A. No, but if he worked for the

relief commission and the county

wanted to supplement his salary,

that would be permitted.

Q. You mean they could supple-

ment it for the same purpose?

A. That is correct.

Q. Would the county employ him

in any other capacity?

A. No, that is he must work for the relief commission or the county board.

Q. The question was asked at this morning's session with respect to your own compensation. You draw a certain amount of money out of the State appropriation and it was supplemented by the Federal?

A. That is correct.

Q. If we expect the Government to match every dollar from the State how will you know how much a man is drawing if you switch funds and supplement one with the other?

A. They provide all the funds now except the small amount of State appropriation for State expenses. That matching business would not have anything to do with that.

Q. For instance, in the set-up you read the other day when we passed this bill, we set a salary scale for employees which could not be over the salary paid for like positions. What is to hinder the Federal Government from supplementing these salaries?

A. If they wanted to spend money that way I guess they could.

Q. They already started out in your instance, didn't they?

A. Well, in my instance there was no like position as I understand it.

Q. Do you have any other employees besides yourself in your organization that get supplemental pay from the Federal Government?

A. There is not.

Q. Under the ruling you read these salaries had to be passed on by the Federal Government. Now, if we should set salaries under the new bill, wouldn't they have to pass on them?

A. They would have to interpret it. I presume they would conform their ideas to ours.

Q. The Federal authorities have a more liberal idea as to salaries. What is to hinder the Federal Government—they have got to accept these salaries, haven't they?

A. I think they would say we pay the salaries, we will set the salaries, I don't know.

Q. They have already departed from that policy to start with, haven't they?

A. No.

Q. In your instance?

A. I am saying they would say

we have paid the salary and they would have a right to say what the salary is. If they are going to prescribe the qualifications and so forth of this personnel, why then I think that they would say we will determine what the personnel gets; in fact I believe they do say that they prescribe the salary that any personnel gets; they do say that specifically where they pay it themselves.

Q. These rules and regulations as set up by the Federal Government that you have been discussing with Senator Martin—I notice, I believe it was in Sunday's Press from headlines about some teachers' program that was going to go in the new bill. Have you got a memorandum on that yet? Do you know anything about it?

A. Yes, I have not received the memorandum but I am familiar with it; I discussed it in Washington some time ago. This teachers' proposition, we put that out ourselves here.

Q. You have not explained that here, that has not been discussed, has it?

A. No, this is something that has just come out and I did not bring it in, but I can do it.

Q. I want it discussed because I want everybody here to know where the money has gone.

Senator Martin: Have you got that in your office?

A. Yes, sir. (Aside, will you get that teachers' memorandum?)

Senator Stone: You say exceptions could be made by which a school could be given the benefit of this work relief business. Are you familiar enough with the situation in the Rio Grande Valley to know whether those schools could qualify?

A. They can and we have it under consideration and are working on the project. We had a meeting yesterday with citizens from the Valley, as the Senator will remember and they are going to prepare plans and specifications and advise us how much work relief they need, and we are in a position to authorize it if the personnel is available.

Q. Do you think you will be pretty well able to take care of the repairs to the schools down there?

A. I believe they will. The only question is whether there will be enough people on the relief rolls to

do it. The most essential work is drainage and most of the people we have on the relief rolls are engaged on the drainage project. If there are any left over they will be available for schools and any other relief work.

Q. You were reading from a bulletin put out on September 26. Under that bulletin does the Government prescribe the qualifications of all employees?

A. They do.

Q. Have they sent you a prescribed set of examinations?

A. They have for the investigating staff. For special work they haven't sent that out from Washington, but in conjunction with their field examinations we worked up in this office an examination which they required us to submit to these people.

Q. Does that mean that every person on the payroll is going to go through some examination?

A. Special work. Does not mean that stenographers will have to pass an examination but they asked us to be sure to test them before we employed them.

Q. Does it take in the county administrators?

A. Yes, it does take in that part.

Q. Who does the grading on these papers?

A. We do it here and get the approval of the field representative.

Q. Who appoints that field representative?

A. In Washington.

Q. The Texas Commission has no say whatever about who he is?

A. No, sir.

Q. We have two agencies, one Federal and one State; just how far can the State go laying down rules and regulations without coming in conflict with the Federal Government?

A. I think any rules the states want to prescribe that are not in conflict with those I read here of course would be permissible.

Q. Suppose in this bill we are fixing to pass there was not any conflict right now and a month from now when we are not in session the Government changes the rules?

A. I don't know; I don't think they ought to be put in the law. They ought to be left to the discretion of the commission.

Q. They should coordinate in so far as possible all measures in connection with the Federal Government?

A. That would be my idea.

Q. Do you think they should attempt to lay down any hard and fast rule that might possibly get in bad?

A. I think if you put any administrative rules and regulations into the law itself, it might become embarrassing later on after the Legislature has adjourned and there would be no recourse.

I have that now Senator.

Senator DeBerry: How long is it?

A. Well it is one, two, three, about three and one-half pages.

Q. All I know about it is what I have read in the papers, and quotations made from it in the press are what I want to discuss. Without taking up too much time, what are the general high points as to what you construe that ruling meaning?

A. Frankly, I have not had time to study it. This has come since I have been a witness in this case and I have not had an opportunity to analyze this thing as thoroughly as I would like to before discussing it. My understanding of it is we are permitted to put those who are qualified to teach and who come under the heading of needy unemployed throughout the State in those schools where they, for lack of finances, are unable to operate. We are given a considerable amount of latitude in doing that. We are permitted to extend them a larger grant than we would under ordinary circumstances or to individuals who are not qualified to teach. The purpose of the bulletin as I understand it is two fold, first, to extend the system to those teachers who are out of jobs at this time and second, to provide instruction for those who would otherwise not get it on account of the schools being out of funds. That is the high point of it, as I understand it.

Q. The way it is digested in the press, it first takes up the proposition of hiring teachers to teach; it doesn't define whether there are any schools in the set-up or new schools; it said the Department of Education was working out a system?

A. That is right.

Q. In that press article it says it takes people who are not making a living, not making a living having vocational training. Isn't that a broad scope?

A. Yes it is a pretty theory as I have read it. I think they give you a good deal of discretion in employing these people. I will say, however, that they have to be teachers who are unemployed and who are without resources and the general program is supposed to have the approval of the State Department of Education. That is what they are working out.

Q. Really the proposition they are trying to get to, they are not only trying to help the teachers but they are trying to teach somebody that can't make a living. Doesn't that mean an adult?

A. Yes. There is no set provision. It provides for the employment for teachers on the relief rolls to teach pupils on the relief rolls whether they are children or whoever they are. It brought in those adults who are in need of educational advantages.

Q. Don't it give them authority to teach people who are not on the relief rolls, adults who have not had educational advantages?

A. I haven't read it, I haven't had time.

Q. The press digest of it explains that phase of it. It says in this press digest "unemployed or others who are in need of general education opportunities." Wouldn't that be a broad field of rehabilitation in vocational education use out of this money?

A. Well, of course, the money itself would go to unemployed people, although the advantages of the teaching might go to others, if that is in there, I haven't read it. If it is in there it just simply means that the unemployed teachers would be permitted to teach people who were not employed. It does not mean that the money would not go for the relief of unemployment because it does say that it can not go to any body who is not eligible for the relief rolls.

Q. That is the teacher?

A. That is the teacher, himself, the money does not go to the pupil, it goes to the teacher.

Q. You've got to have more expense to meet the salaries?

A. There is no expense provided except the expense of the salaries of the teachers and that is relief.

Q. The latter part refers to the extension of terms of schools. Are you going into that part of it?

A. I understand where they do not have school funds that these unemployed might be employed to continue their terms.

Q. You have a school which is cut down to four months or whatever you might decide wasn't sufficient—the standard I think is six and a half to seven; I think it was put on a sliding scale last year, six to eight. Then you would take an unemployed teacher and hire him to complete the term?

A. That is correct.

Q. Do you think with the inability to pay taxes and general economic conditions that there is going to be money enough to go around to feed hungry people and clothe people who are cold and still have money to buy cow feed and this educational program and the taxes and interest on these loans. Do you think there is going to be money enough in the State to go around?

A. I don't know whether there will be or not. Of course the educational program merely means that teachers out of work will be paid for doing some essential or desirable work rather than being paid to us a hoe or something of that sort.

Q. If the State has recognized in my county that they can't keep a school going and the district has recognized it, do you think it is good policy for the Federal and State to go into that business when they have got their school bonds now where the bonds are not worth thirty cents on the dollar?

A. I don't know about entering that business but the point is to feed hungry teachers among other hungry people and pay them for doing something they really can do rather than digging ditches or some other kind of work they are not qualified for.

Senator Collie: I don't want to bother you or this committee by going into this administrative cost again, but one witness testified about a county in my section, Erath

County. I believe he testified that before your new set-up the total administrative cost in Erath County was about twenty-five or thirty dollars a month?

A. Yes, he did, as I recall his testimony.

Q. Do you have those figures before you as to how much he received and the administrative cost?

A. I can get them.

Q. Let's start with April.

A. For April they spent about twenty-nine, approximately twenty-nine hundred dollars and the administrative expense was \$61.47.

Q. At that time was this Mr. Hamilton, the witness who testified, the county chairman?

A. He was county chairman and it was on his signed report that we got those figures.

Q. May.

A. May they got about twenty-two hundred dollars and their administrative expense that month was \$117.86.

Q. All right, June?

A. In June they got approximately twenty-five hundred dollars and the administrative expense was \$70.20.

Q. All right, July?

A. In July they got about thirty-three hundred dollars and their administrative expense was \$141.45, and Mr. Hamilton was the chairman and he signed these reports; he ought to have known what it was.

Q. I believe he further testified that now since the first of August the administrative expense had probably increased a thousand per cent or in other words it was not three hundred and fifty or four hundred dollars a month, for the small amount of money they got in the country. What was the actual administrative expense and how much did they receive?

A. The total administrative cost including the salary of all office overhead as reported by Mr. Rufus Higgs is \$206.00; the amount received was \$2,841.00.

Q. Approximately eight per cent?

A. Yes, sir.

Q. You there report about five per cent, an increase of about three per cent?

A. That is correct and we have established a re-employment office since Mr. Hamilton quit and put on one additional person.

Senator Stone: Suppose in this appropriation bill we should attempt to put a provision in there limiting the amount that could be spent for administrative expenses, could we make that provision effective as to the Federal funds also?

A. I don't think so. Frankly—I know you want my frank opinion.

Q. Yes, sir.

A. I think it would be undesirable if you do so for State funds. You can't fix an administrative expense over the State and make no exceptions. There are occasions when it is justified. We are trying to get people off the relief rolls and into the garden patch and it requires more looking up than in the normal course of events. It is really based on the amount of work they have to do. They ought to be able to administer these funds in large counties more cheaply and more efficiently than they in small counties because you have to have a certain amount of set-up in the county anyhow. In a big county like Dallas you should have less.

Q. The Federal wouldn't pay any attention to our limitations on their funds in your opinion?

A. I think they would very respectfully say they were paying it out and that they would want the right to say what they would pay.

Senator Small: I notice in Section 2 of this Act "It shall be the duty of the commission to administer all funds made available by the Federal Government, including without exclusion because of enumeration, projects made possible by the Emergency Conservation Act." Are you administering any of those funds now?

A. Yes, we are still administering the park service. The way we have done that the Emergency Conservation Service in Texas is confined to forestry work, soil erosion work and work in the parks. We are delegating the administration of the forestry work to the State Forestry Department, Mr. Gieseke, and the soil erosion work to Mr. Bentley. We have been doing it and still are administering the park service work but we have asked that it be taken over by the State Reclamation Engineer within the last few days.

Q. That can be handled by the State Reclamation Engineer?

A. Yes, sir. We think that he

has a better set-up for it. He has engineers there that he might use.

Q. The public works projects, you have got nothing to do with those?

A. No; when this Act was passed we thought we would and it was also thought so, also thought by those who at that time were boosting the public works project in Washington.

Q. They changed their minds?

A. Yes.

Q. Self liquidating projects, does that come under the public works set-up?

A. I assume so.

Q. The construction of housing units to be rented at low cost. Have we anything like that in Texas?

A. Yes, we have and the commission is the agency. There is a housing law passed by the Forty-third Legislature and it named the Rehabilitation and Relief Commission as the housing agency for the State.

Q. Colonization projects, have you got any of those on?

A. Yes, we have several of those that are under consideration at this time.

Q. Well, are you spending any money on them?

A. Yes, we are; we are spending some money getting up the applications and data.

Q. Well, did we pass any bill on that subject the last time?

A. I don't recall that you did, Senator; I don't know, there was a bill passed in the Forty-second Legislature, that might be it.

Q. Crop production?

A. By mutual agreement we cut that out; took it up with the Secretary of Agriculture and he had a different plan.

Q. Step to restore agriculture?

A. Nothing like that except the extension of grants and loans to those farmers who cannot secure loans through the ordinary credit agencies as we are doing in West Texas.

Q. Then the two projects that you are now administering, the three rather, are the relief work and the conservation work, the park service, and the housing units?

A. There have been no applications made for that, for any housing units so far.

Q. And the park work could be

taken over by the Reclamation Department and that would leave practically nothing except the relief work?

A. The relief and the colonization work and the re-employment service which is not mentioned in the Act but which has been delegated to us by the Department of Labor.

Q. Now, what percentage of the funds that you received from the Federal Government during the month of May was actually sent out to the counties?

A. I would have to look that up; let me have that, Mr Auditor.

Q. Is that in Exhibit C?

A. We received during the month of May \$1,944,000.00 and distributed to the counties \$738,000.00.

Q. Received what?

A. A million, nine hundred and forty-four thousand and some extra dollars.

Q. How much were your receipts in August?

A. I would like to say, Senator, that during that month, \$933,000.00 of that money that was received in May came between the 25th of May and the first of June. We did not get it all the first of the month.

Q. \$933,000.00?

A. \$933,000.00. Did you ask for August?

Q. Please, sir.

A. \$2,377,000.00 and for that month distributed \$1,043,000.00 to the counties.

Q. That was the month direct relief discontinued?

A. Work relief was discontinued on the first of September.

Q. Then the month of May you built up a big cash balance and also the month of August?

A. Yes, we received, as I said a minute ago, \$933,000.00 of the May receipts were the last week of May and we did not have an opportunity to disburse them and were not called upon to disburse them during that month and the finances of August, that was a very deliberate procedure because if that had not been done we would not have any today because that is the last money we have received.

Q. How many counties have you had audits made in?

A. Completed audits in 82 counties.

Q. Have you found any shortages or defalcations in those counties?

A. May I finish the other question? We have completed them in 82 and they are under way in practically 200 counties at this time. Your next question was?

Q. If you had found any shortages or defalcations?

A. Yes, sir, we have.

Q. How many counties?

A. Quite a few; I will have it checked.

Q. That will be sufficient, you found quite a few counties?

A. Yes, not so great many but there are some.

Q. Well, to reveal the counties it might defeat the purpose?

A. That is correct.

Q. Will you please identify this slip if you can?

A. This is headed "Memorandum of unincumbered balance in office of chairman on March 1st, 1933 as reported to the Texas Rehabilitation and Relief Commission."

Q. Is that correct?

A. It is not signed by anybody; I would like to have my auditor certify as to its correctness before I certify to it as being correct. The auditor states that these figures given hereon were reported to him by the counties, that the counties given thereon have not yet been subjected to audit.

Q. That is then the reports that you got from the counties?

A. From the counties, yes.

Q. Now, that is of what date?

A. March 1st, 1933.

Q. Now in March, if you will turn to Exhibit C of the report, it shows \$1,371,462.00 was sent to the counties in March; is that correct?

A. I am getting ready to look it up; that is correct, Senator.

Q. In April \$1,450,200.00, the sum sent in April?

A. Correct.

Q. May \$738,704.00?

A. Correct.

Q. June \$1,577,125.00?

A. Correct.

Q. And July one million—I can't—

A. (Interrupting) \$1,535,604.00.

Q. Then that supposed balance that they were supposed to have on hand is all the money that the counties had for expenditure from March until August first, was it not?

A. That is correct if their bal-

ances as reported on these schedules are correct.

Q. Now, turn to expenditures of the counties for March.

A. Just a minute. I was hunting that up, Senator. I have it, Senator.

Q. All right. Expenditures for March by the counties, the total expenditures?

A. I have it. Total expenditures for work relief, \$874,416.00.

Q. Direct relief?

A. Direct relief, \$202,875.00.

Q. Other expenditures, none.

A. Other expenditures, none. Administration, \$41,121.26.

Q. All right. For April?

A. April, for work relief, \$831,079.08.

Q. 078.08?

A. 078.08. \$831,078.08. Direct relief, \$182,695.56. Other expenditures, \$1,327.61. Administration, \$48,706.10.

Q. May?

A. May, work relief, \$971,132.13.

Q. Nine what?

A. \$971,132.13. Direct relief, \$266,793.66. Other expenditures, \$37,180.85. Administration, \$59,053.38.

Q. I have on this report here, for May, work relief, \$786,509.00.

A. That is right. I was reading you June. I am sorry.

Q. That is all right. Now, read May.

A. May, work relief, \$786,690.59. Direct relief, \$221,455.46. Other expenditures, \$1,375.23. Administration, \$47,276.88.

Q. July?

A. July, work relief, \$951,515.28. Direct relief, \$287,856.88. Others, \$41,662.55. Administration, \$66,540.35.

Q. All right. Now, then, this report which you filed, does not show the cash balance for March 1st, but taking the cash balance you turned in there by the various counties and taking the amounts that are sent to the counties and adding it to the balance, and then taking off the total expenditures as outlined for those months, I will ask you if it does not show a shortage of \$110,761.67.

A. I haven't added it up; I will have the auditor add it. There is nothing extraordinary about that for this reason that these reports which were filed as of March 1st

frequently did not cover obligations that were owing for the previous month, when they owed those obligations. At least, that is my understanding of it. We have noticed discrepancies of that sort, but have not had an opportunity to audit all those counties. Where they owed obligations they did not report that as an expenditure in that current month. For that reason until we can complete the audit we cannot tell whether there was an actual shortage in there or not, Senator.

Q. But at any rate, taking the balance on hand and the reported expenditures, they would be out of balance by \$110,761.67?

A. Yes, if you don't take the factor that I mentioned into consideration.

Q. Of course, at this time you don't know how much of that is due to the cause you mention, how much of it is due to defalcations or not?

A. No, we can't guarantee the accuracy of these county reports until we get around and audit them, Senator. It is not that we anticipate that there has been any great juggling of funds but we do know that there has been a misunderstanding of accounting upon the part of some people who have rendered reports. That is particularly true before we got a standard accounting system installed.

Q. When did the standard accounting system go into effect?

A. It did not go into effect in all places simultaneously. We had to put it in as we got a personnel competent to handle it but, generally speaking, during the month of August; we had it promulgated and ready, I think, July 15th is when we got our approval from the Federal Government.

Q. And with the accounting system that has been in vogue and the elaborate administrative set-up at this time it would be impossible to tell how much of that \$110,000.00 was represented by obligations that were outstanding and not reported.

A. Yes, if we had had the same accounting system in the beginning that we have now there would be no difficulty at all. I will have to explain that to you, Senator. It was necessary to go back and audit those accounts from the beginning, way back in November, in order to get a starting place. We have not completed that; we are getting this

system into effect now. We think if it had been in—

Q. In effect?

A. —effect in the beginning we would have been able to check it exactly. We did not get our audit of those counties started until July.

Q. Then this report which is filed here is more or less not affirmative?

A. It is not an audit, Senator.

Q. It is not an audit. There are a number of other errors here that I do not care to call attention to.

A. Yes, I am sure there is.

Q. But I notice in going through and picking out some of the isolated ones—I will take the counties of Anderson, Archer, Bailey, Comanche, Harris and Dallas. In the order named I will call the administrative expense. Anderson County, \$178.15; Archer, \$182.33; Bailey, \$200.63; Comanche, \$63.00; Harris, \$12,897.48; Dallas, \$15,055.53. All of those are for the month of July.

A. Yes.

Q. The percentages of costs range from 33%, 34%, 41%, 9.4% in Comanche, 8.09% in Harris and 9.45% in Dallas, which leads me to ask you this question. Don't you think it would be better to try and save expenses by grouping a bunch into one?

A. I thought of that, Senator. I expect maybe it would be a good idea, but we would have a terrible howl from county headquarters if we did. I have thought of doing that; I think it might be a desirable thing.

Q. I notice in Denton County it ran 35%, Panola, 33%, and I notice back there in those totals in the month of May, your expenditures were less than \$750,000.00 and the overhead was practically as much as when it ran up to a million and a half.

A. Yes, that is right. During May we had in effect the same system that was in effect when we took over the organization; there had been no change made at that time.

Q. I notice in your office during March you had twenty-four employees.

A. Yes.

Q. April, 29; May, at the time this bill was passed, there were 25; in June it jumped up to 47; in July it went to 75; and in August it went to 95. Do you know how we could get rid of any of those?

A. No, no. As a matter of fact, I don't, Senator. Most of those employees, the additions were in the auditing department, it requires a lot of people to audit so many accounts, we have, as you can understand, millions of transactions every month which have to be audited as the result of putting in this auditing system and with the closer supervision that we have, it has added to our expense; and also the re-employment service, that, of course, requires additional personnel; all those additional functions require additional personnel.

Q. Now, the percentage increase in employees beginning with March 1st as the basis, the April percentage increase is 62.8%; in May, when you only had 25 on the roll and only spent \$738,000 there was 4.16% increase; in June the percentage of increase over March was 95.83%; in July it was 212.5%; in August it was 295.83%.

A. Yes.

Q. That percentage is the increase since last April?

A. Yes, those additions to the State staff were concurrent with the promulgation of the rules and regulations which I have just finished reading you, and were made necessary—

Q. By those rules?

A. —by those rules. Incidentally, I would like to say that the Federal Government allowed us \$15,000.00 a month for administrative expenses in this office, but we have never come within \$4,000.00 of using up what they have allowed us.

Q. I am complaining at the Federal set-up, not at you.

A. I see. I just wanted to explain that we have not hired a lot of people because we had the money.

Q. But it is pyramiding, that is what I am alarmed at. I don't think the Government can stand it and I know Texas can't.

A. Of course, I can't comment on that.

Q. Now, we have down here the wife of the Secretary of State on the pay roll at \$150.00 a month.

A. That is correct.

Q. Let us see, who is Marie—not Marie Dressler?

A. Dresden.

Q. Dresden.

A. Marie Dresden is a social worker who was employed at the

suggestion of Mr. Hopkins and Mr. Williams to serve as social service consultant down here.

Q. At \$300.00 a month.

A. Correct. I would like to say, too, that the wife of the Secretary of State at \$150.00 a month was employed, at the same time that I was, by Doctor McMillan of the Reconstruction Finance Corporation.

Q. This Knappe Printing Company, that is the company that prints the Ferguson Forum?

A. I understand it is; yes, sir.

Q. Do you know what percentage of the printing for your organization that company has done?

A. No, I don't, Senator.

Q. Well, it appears here that in March they did 98% of it, 98% plus; in April, 99% plus; May, 94% plus; June, 98% plus; July, 92% plus; August 91%. Do you know whether that is substantially correct or not?

A. No, I don't. I, personally, did not attend to the letting of the printing contracts; I don't know who got them as a matter of fact.

Q. Now, supplies. Colonel, isn't it a fact that business was distributed among the various individuals around Austin here, that you bought promiscuously around over the city of Austin?

A. My instructions in the purchase of supplies, in the purchase of printing, was to let it to the lowest bidder. We found that quite a lot of supplies could be purchased through the Board of Control, even though we paid for them with Federal funds, more cheaply than we could buy on a competitive basis. I don't know what percentage of it went to the Board of Control, but I think quite a good deal of it did.

Q. I believe all of this commission for insurance, bond premiums, went to Gene Smith.

A. That is correct.

Q. Have you found out yet the amounts of the items that were in there for insurance premiums? The report the other day showed \$1,331.19.

A. I have the audit here, Senator. The total amount was given the other day as \$1,331.92. The auditor informed me that covered both the State and Federal payment. The amount of the Federal payment was \$1,211.26—the balance being \$1,252.30. That was paid from Federal funds and \$79.62 from State

funds. That is the contract for the entire year.

Q. That is all of it?

A. That is all. Now, we have a binder, which we do not know what it will be, on all of the county administrators and chairmen. We won't know that until we find out what the rate is. I don't know whether we have let the contract—no, we haven't let the contract.

Q. That is what I was trying to find out.

A. We can't know that until we find out what the contract will be.

Q. Was that let on competitive bids?

A. No. I don't think any insurance business was let on a competitive basis. I think the rates are fixed by law.

Q. One of these department heads told me you could get a competitive basis on this kind of insurance and save about half.

A. I didn't know that.

Q. Has there been any effort to direct the county bonds in any particular channel?

A. No; the county bonds will be blanket bonds, that is, we have a binder right now, but we haven't let the contract to anybody.

Q. Now, going to this Dallas set-up. I notice that there are Negroes on this list listed as typists, clerks, social workers, aids and friendly visitors, also telephone operators. Do you know anything about that set-up there?

A. Yes. I think they had some Negroes with those qualifications employed in positions requiring such qualifications.

Q. You don't know whether they are still there or not?

A. I presume they are. I didn't ask them to get rid of them.

Q. What is a friendly visitor?

A. You have got me, I don't know.

Q. You don't know what a friendly visitor is? If I was going to have one I would want him to be friendly.

A. That is right, so would I.

Senator Small: That is all.

Senator Martin: With reference to this printing, I believe you said you let all of your printing on a competitive basis.

A. Yes, except in some instances where I have given authority, on account of the rush, to give it to a higher bidder where the other peo-

ple were not able to get it out in a given length of time.

Q. With reference to this insurance, that has been mentioned here, who has that contract?

A. The insurance company?

Q. Well, I want to ask this question. Who wrote that? Was that filed by the Attorney General?

A. The Attorney General wrote the policy.

Q. Oh, the Attorney General wrote the policy. What are the facts with reference to whether or not the Insurance Commissioner approved it?

A. Yes, the Insurance Commissioner approved it and approved the company in which it was written; he gave us a financial report on the company. I was informed by some people that it did not make any difference who got it, that the premium had to be the same; there is a State law to that effect.

Q. Is there not a State law to the effect that they cannot rebate in writing insurance?

A. That is what they told me in my private business when I tried to get it.

Q. If they were permitted to rebate, wouldn't it allow the strongest companies to write all the insurance and put the others out of business?

A. I think that is the law because in my private business they told me on account of it being the law that they could not allow a rebate. I was never able to get it because they said the premium was fixed by law. I think that is true.

Senator Martin: I think that you are right about that. That is all.

Senator Woodward: I want to ask Mr. Westbrook a question, please.

Q. Who is Mr. Lee Francis?

A. He is the son-in-law of E. J. Hussion.

Q. What is his business?

A. Lee Francis is acting as field agent.

Q. Who is Mr. C. B. Braun; B-r-a-u-n?

A. C. B. Braun is field supervisor. I don't know anybody that he is kin to.

Q. Can you tell me who is the county administrator in Winkler County?

A. I can in a minute, I am sure. C. L. Stowe appears on there.

Q. Well, do you know whether

Mr. B. F. Hammet is the—Mr. Stowe is county administrator now?

A. I believe so, that is what it says in here. I could send in and get my up-to-date record on it; unless there is a change made since that report he is the administrator.

Q. I wish you would get that information for me and also see whether Mr. Hammet was ever on the payroll or not.

A. That is Winkler County?

Q. Winkler County.

A. All right.

Senator Woodward: That is all I want to ask Mr. Westbrook. There are some other matters I may want to take up later.

Senator Small: Who is E. N. Noyes?

A. E. N. Noyes is a consulting engineer, he lives in Dallas.

Q. And John A. Norris?

A. He is chairman of the Board of Water Engineers.

Q. Here in Austin?

A. Yes, sir.

Q. They made a trip to Washington?

A. Yes, sir.

Q. I notice here a bill for traveling expenses and hotel bills \$228.14 for Mr. Noyes.

A. Both of them.

Q. And for Mr. Norris?

A. Yes, we agreed to pay expenses of both of those gentlemen up there. Mr. Norris didn't have enough money in his appropriation to pay it and Mr. Noyes was giving his services. They went up there in connection with the application for C. C. Camps and Forestry.

Senator Small: All right, that is all.

Chairman Purl: Senator Woodruff.

Senator Woodruff: Colonel Westbrook, I don't know whether this question has been asked or not. If it has not, I would like to have it in the record.

What is your total monthly payroll for your organization at this time?

A. You mean for the State office?

Q. Yes.

A. Or for the entire organization?

Q. For the entire organization.

A. Counting the counties?

Q. Yes, sir.

A. I will have to add it up by counties, Senator, I can get it for you. Just roughly I would say around \$125,000.00 to \$130,000.00. That is a rough guess.

Q. Will you get that for July, August and September this year?

A. I can get it for July and August. Of course, I won't know what it is for September until the month is over, because there are changes going on in the month. It would, roughly, be the same for September as August; there are changes being made both ways.

Q. Is the organization full strength, as you planned it to be?

A. I would say this, we are making reductions in some counties and we have to make addition in others. That represents about the expenses.

Q. What has been your thought, if anything, with reference to making these paid workers relief workers, in other words?

A. We use a great many of them, Senator.

Q. Well, is there any reason why they all could not be work relief employees?

A. As a matter of fact, almost everybody that we have on the payroll, so far as we have had control of it, there has been some, who would have been on the rolls except those in executive positions who had to be employed for special qualifications.

Q. Well, have you employed persons strictly on a qualification basis?

A. Not strictly. We have taken into consideration the fact that some of them, in the minor positions, needed employment.

Q. Does that apply to your field representatives?

A. No. We thing our field representatives should be employed on the basis of their qualifications, and we have not given a great deal of consideration to whether or not they have jobs. As a matter of fact, most of them had jobs of some sort when we employed them.

Q. How many of those representatives do you have today?

A. We have thirteen. The State is divided into thirteen districts. Then we have from three to four field men at large; at this time we have three; we have sixteen altogether.

Q. Do you know their names?

A. I can give them to you. I would have to think a little bit.

Q. Have you personally selected them?

A. Yes, I have personally selected everyone of them, Senator.

Q. Well, take the man in the North Texas district in which Wise County now is situated, Bascom Thomas, did you select him?

A. Yes, sir.

Q. On the basis of his peculiar qualifications for the work?

A. No. He convinced me that he could do the work and he needed the job, that was another reason; he had recommendations, strong recommendations from both sides of the political angle; he had recommendations from Governor Ferguson and Tom Love and I thought that ought to remove any doubts, he had recommendations from each of those.

Q. What are the peculiar qualifications that fitted him for that kind of work?

A. He has been an attorney, he has had a lot to do with people, he is a fairly well educated man. Of course, we can't go out, we don't have enough money to go out and get highly trained social workers for jobs of that kind. Of course, Mr. Thomas' employment is subject to the Federal Emergency Act; if he doesn't satisfy them he won't be there.

Q. You understand, Colonel, I am not assailing Mr. Thomas at all.

A. I understand.

Q. As far as you know, his work was all right?

A. He has been doing very well as far as I have been able to check up on him.

Q. How many persons do you have working on your staff in the office and in the field all together?

A. I believe approximately one hundred, it will vary.

Q. One hundred persons on your staff?

A. Yes.

Q. Have you personally selected all of them?

A. I believe I have; I believe I have seen every one of them. They may have employed some stenographers or typists while I was gone, but the great majority of them I personally interviewed, Senator.

Q. Colonel, I am not making any

inferences at all by these questions that I am asking you.

A. I understand.

Q. To what extent in the selection of your office staff and your field staff have you or those that associate with you questioned the prospective employees as to their political affiliations?

A. Well, in the beginning when we were selecting the set-up, I asked that question, I don't know whether I asked it of all of them or not, but I did a few, but I would say that 90% of the people employed, that question was not asked.

Q. I am asking it because I believe it has been alleged.

A. I know it is. I am very glad of the opportunity to testify to that effect.

Q. Of the hundred employees in your staff, how many of them are identified politically with the administration?

A. I couldn't tell you to save my life. I haven't the slightest idea.

Q. Do your files reflect that information?

A. Our files will reflect the recommendations which have been made by politicians on both sides of the fence and from business people and other people. In the selection of these people political considerations had no affect except this that if some important political person, either the Governor or somebody else recommended an applicant, why we would be inclined to go into their qualifications more thoroughly than otherwise; they got notice by reason of such endorsement.

Q. Colonel, perhaps it appears that I am doing the thing that you indicated when this Rehabilitation bill was up in the last Session of the Legislature, you wouldn't be injecting politics in it?

A. That is right.

Q. I assure you I am not attempting to do that but will you be good enough and furnish this committee with as accurate information as you can as to the number of people on your staff who have aided and supported the administration?

A. Yes; I will give them a questionnaire, I wouldn't know otherwise.

Senator Martin: Mr. Chairman, if you please, I don't think that would be fair to the employees. I

know men in these departments here who have got positions, some are my friends, I know how they voted; I don't want that brought out because we are not all of one accord.

Chairman Purl: I think the Chair has ruled that if he has anything in his files at this time he can make it available to the committee, but I don't think it would be proper for him to send out a questionnaire at this time, providing they are doing their work all right.

Senator Woodruff: Of course the committee will understand the purpose of that question.

A. Understand, Senator, I appreciate your asking the questions; I am very glad to have the opportunity to answer questions along those lines, and when you get through I would like to elaborate a little bit on that.

Senator Woodruff: I will withdraw the question in view of the objection by the Senator from Hill.

A. I would like to say, Senator, there has been very little, of course, there is some political pressure brought to bear on anybody operating an agency created by a political agency like this organization has been. I would like to say that pressure has not been brought to bear on me. I have never been asked to employ anybody. I have never been told to give this man a job or fire this man or fire that man. In employing these administrators in the counties, they are the most numerous people we have employed, some 200 of them I specifically instructed the field man who is responsible that political consideration should not and could not enter into the selection of those men and I don't think it has.

Senator Woodruff: I want to say in fairness to Mr. Thomason, that I have heard no criticism at all along that line?

A. I know that Mr. Thomason is a very valuable assistant and seems to be doing his work well—I am glad to hear that of his work.

Q. And may I add, Colonel, I think that this plan is working satisfactorily in my county, and Mr. Thomas seems to be getting along all right—I just make that statement in fairness to the criticism that may have been brought up.

A. I am glad to know that.

Q. Now getting back to the original question, what objection would there be to making all of these employees work relief employees?

A. Well, those in executive positions require special training—we could not get all of them for that pay Senator—we could not get all of them that way. I want to go back to this political business. I want to say that I am sincere about this matter. The great majority of people who are on our payrolls today, I mean those throughout the State, not in the State headquarters here, are the same employees who were formerly used, the same people who had charge of this work when I took over the work through the State office. I would say that eighty per cent of them are the same employees who were on the payrolls under the previous set-up. For instance in the City of Dallas, they have 180 people on the payroll up there, and they are the same ones who were on the payroll under the former set-up with one or two minor changes; the same thing is true in Houston and San Antonio, except that they have a good many more on the payroll now than they formerly had. That is generally true throughout the entire State. I believe that it is proper that I should make that statement.

Senator Fellbaum: Colonel Westbrook, have you any idea how much money it is going to take for the months hereafter—

A. The total amount? I cover that in Section III of this report. I know it is a guess. You know, at this time of the year, August and September, they ought to be at the lowest peak, because of the fact that so many of them have been employed in cotton picking, harvesting wheat, and corn, and other farm activities. There are somewhere in the neighborhood of a half million people who have been picking cotton, gathering corn, working in compresses, cotton oil mills and other phases of the cotton industry, that have been off our rolls during that period. They will not soon be able to get on their feet, because they have not been able to make enough money to get by on. They used to be able to save up enough to carry them through the winter months, with the little work they

could pick up from time to time, that is to get by on. I think that we ought to have available for our part eight or nine million dollars between now and the first of March.

Q. That much State and Federal money?

A. No, that much State money. I do not know whether we will use it all or not. We probably will not use over five or six million but then in case we have to have it, it would be available.

Q. You think that we will need eight or nine million dollars to when?

A. Up to April 1st, 1934—I think in January, February and March, we are going to have a very heavy load. I had a telegram today from the Wharton requesting funds and stated that they had hundreds of these people coming back on their relief rolls, as the cotton picking season had been finished in that section of the State; they were urgently requesting relief be sent to them there.

Q. Have the Federal orders and rules and regulations provided that you have commissaries?

A. They do not so provide. As a matter of fact Mr. Hopkins does not approve of commissaries. He does not say that we should not have them, but he thinks they are wrong. He thinks that they ought to be furnished with disbursing orders. But he thinks they ought to be furnished with cash, but I am afraid that if we furnished them with cash it would not go for groceries, but some of it would go for liquor and not get to the people who really needed the relief. The Federal law does not require commissaries. There is lots of dissatisfaction and contention over that. Senator I believe that you asked about the conditions—the administrator in Wilkier County.

Senator Woodward: Ward County I believe it was—who is the administrator there? Winkler County?

A. C. L. Stowe, who lives at Wink.

Chairman Purl: Any further questions?

Senator Rawlings: Section 6 of the Act creating this commission provides for detailed monthly audits?

A. Yes, sir.

Q. On which the expenditures

will be itemized, showing how much expended, to whom paid and for what expended?

A. Yes, sir.

Q. Has that been complied with?

A. That is being complied with now—we have not had time to get all of those audits made up to this time. Those that we have are in our office.

Q. Are those reports available to us?

A. Yes, sir.

Chairman Purl: Any further questions?

Senator Woodward: Did I understand you to say that your estimate of the amount of expense that will be required in Texas, in addition to the funds received from the Federal Government, including the expense of the Austin office of which you are in charge would be about \$124,000 per month?

A. That is just an estimate. I think it will be around what it was during the month of August.

Q. That would be approximately \$1,250,000 per year?

A. That is about right. Of course, Senator, I think this, that after a considerable period of time, it will settle down to more or less a matter of routine administration, and the administrative expense will be about in line with the expense indicated for the month of August.

Q. That estimate does not take into consideration those who are employed on the work relief basis and who perform administrative service.

A. No, I will say this, Senator, that in the case of some of these counties, that we have reviewed here, some of them have reported as work relief expenses that should have been carried as administrative. If a man works thirty days on a job in a month, unless he has a tremendous big family, at \$2.40 per day, I should say that he belongs on administration.

Q. But in the past that has not been reported as administrative expense?

A. In many cases it has not. The standard procedure has not been properly understood in connection with that.

Q. Is it not a fact that at the time you requested this information for the committee that you advised

the various county administrators that they were not to include that as work relief?

A. The reason I did that, Senator, we had been asked for similar report by the Federal Government—by the Federal Relief Administrator, in this letter dated September 21 states, do not include work relief cases assigned to these offices. That was the reason for doing that, and I believe that answers your question.

Q. My object in asking you that was to bring out the fact that you were merely following the instructions from the Federal Administrator?

A. I will say this, that those instructions have not been clearly understood. A great many of them have been working and receiving too much on work relief.

Q. Have you got the total expense account including salaries, and all other items and expenses of the Austin office, for the month of August—the total—that includes, stenographers, stationery, salaries, traveling expenses, printing and everything that is going into the expense of the operation of the Austin office?

A. The total expense was \$15,-938.83, of which a part was paid by the State and part by the Federal funds.

Q. I want you to separate that and let me know what the Federal expense was?

A. Just a minute and I will break that down for you—\$12,-721.93 being Federal funds and \$3,216.90 being State funds.

Q. Can you tell me approximately the amount of money today that is on hand, unexpended, out of the \$50,000 appropriated for this first year of the biennium?

A. Approximately \$42,000.00.

Senator Rawlings: How many bonds do you think we ought to issue?

A. That would depend upon the length of time you would want it to cover—or you meant it to cover. I do not believe the bonds ought to be sold. I do not know much about that. I have a vague idea, about how much should be required, but I think that some provision should be made, that some agency should be set up to issue the bonds as required—

Q. You do not think that the whole amount of the bonds issued should be sold at one time?

A. No, sir. Of course, I am not an authority on that, but I believe that it would be good policy to provide for the issuance of the bonds, and then set up some kind of agency for disposing of them as the money is required.

Q. How much in bonds do you think ought to be issued right now?

A. Well, I know that we are going to need a good deal of money in October, I would say a million and a half to two million dollars.

Q. You mean of State bonds?

A. State and Federal bonds.

Q. That would be \$75,000 in State funds?

A. Yes, sir.

Q. You think that much will be required for the next month?

A. Yes, for the next month.

Q. Now, then, assuming that we issue all of the bonds at that rate, a million dollars to two million dollars per month, how much would it cost the State to distribute the funds under the present plan?

A. Under the present plan, it would not cost the State anything.

Q. You mean the State's part of it?

A. The State, if it paid the expense, it would cost about a million two hundred and fifty thousand dollars per year. Somewhere around that.

Q. That is your estimate?

A. I am assuming that the Federal Government is going to continue to match the funds that we have. If only the State funds were available, then, in my opinion we could only do what we term the direct relief in emergency cases, which we are doing now.

Q. Well would you say that of the twenty million dollars, that it would cost something around 10 per cent?

A. I think it would take five per cent.

Chairman Purl: I want to ask you a few questions, Colonel Westbrook. These questions may be somewhat disconnected, but they are some of the questions which I have on my mind, and may not have very much bearing on what has been going on here, but I want to ask them just the same. Of what political faith is Mr. Williams? Is he a Re-

publican, Democrat or Bull Moose or what?

A. He came from Alabama and I imagine he is a democrat. I really do not know.

Q. The Federal Government in Washington has one of the largest printing and engraving plants in the country, and I for one would like to find out whether the money that is being paid out for the various forms that are being used, is printed in Washington without cost to the State, or is that being printed in Texas—can you give me any information about that?

A. I do not know anything about that myself. So far they have never offered to do that printing without cost. Maybe the auditor has something that will cover that—I do remember having gotten this:

"Washington, August 21, 1933.
To all State Relief Administrators:
Several State emergency relief administrators have inquired concerning the cost of printing the case record cards and financial sheets recently sent out from this office as guides.

We have obtained the following quotations from the Government Printing Office:

Case record cards.....	\$1.00 per 100
Financial sheets.....	.30 per 100
Supplemental financial sheets .....	.30 per 100

If you wish to have a supply of records printed here, you can have the name of your State office printed locally in the blank space at the top of the record.

We will be glad to place your order at the Government Printing Office and bill you at the quotations listed above.

Sincerely yours,

(Signed) CORRINGTON GILL,
Director Research and Statistics."

We got that letter on August 21, and checked up with our local printers. The case record cards are costing us locally 27.8 cents per hundred; the financial sheets 27.8 per hundred, and the supplemental financial sheets we are getting for 23 cents per hundred.

Q. Now there is one other thing that I would like to have you do. I want you to identify the reports that have been filed here; I believe

that your report is in two volumes, and one of those is the auditor's report. Will you kindly have those two volumes that you have filed with the committee in response to the resolution properly identified?

A. Yes, sir.

Q. You do not make any claims that the report which you have filed here is an audit but is merely a report of the auditor who is employed in your office?

A. No. It is not an audit, but merely an auditor's report. It was the best that we could do to carry out the provisions of the resolution which was passed by the House and Senate.

Q. Then there has never been a certified public accountant's audit of the receipts and disbursements of the main office and of the several counties in the State?

A. That is in process of being made now, and our own auditor, Mr. Donnell, is a certified public accountant.

Q. Now, I understood that you have made, I have made some memoranda here, I may be wrong in this, but I understand that you have made something like 80 independent audits of the counties of the State?

A. That is correct.

Q. That is your audits have been made of some eighty of the counties in the State, showing their disbursements?

A. Yes, sir, that is correct.

Q. Some of these audits are made by certified public accounts appointed by your office?

A. That is right. They are chosen by the chairman of those various counties, and approved by us.

Q. There have been, I believe eighteen audits made by auditors chosen by the local county chairmen, and their appointment approved by you, or appointed by your commission?

A. Yes. That is correct.

Q. Have those audits been made available to this committee?

A. We have had them.

Q. You have them and that means that they will be available to this committee?

A. Yes, sir, that is the eighteen.

Q. What about the balance?

A. The others were made by various counties of the State with our own accounting force. We feel and find that we can send an accountant

there to do that work perhaps cheaper than an auditor could be employed locally, or to send the records to our office and do the work.

Q. Now I want to go over these other matters real hurriedly, and as I ask you these questions I will ask you to please answer "yes" or "no." We asked you for certain information as incorporated in H. S. R. and some additional information was requested by S. R. No. 9, to be furnished to this committee. Have you furnished the information requested in the first: "The date and amount of each sum received by either of said agencies or officers, together with the total sum received"?

A. Yes.

Q. Second: The place or places of deposit of such sums, and the name under which the account was carried; have you furnished that?

A. Yes.

Q. Third: The date and amount of each sum sent or allotted for expenditure in any county, city, or other political subdivision of this State, together with the names of the person, persons or organization to which such sums were entrusted, have you furnished us that?

A. Yes.

Q. Fourth: The total amounts expended or sent out for distribution each month by said Texas Rehabilitation and Relief Commission, or by either the present Governor or her predecessor in office, together with balances on hand, if any, each month down to the present time; have you done that?

A. Yes.

Q. Fifth: The amount paid for salaries or other administration and/or other expenses each month, together with a list of the names of each and every employee or other person receiving expenses, in each county allowance, or pay for assisting in the administration or distribution of such funds, together with a statement as to whether such salary, wages or pay has been supplemented from any other source; that is if any of such persons or organizations have been paid in part from State funds and part from Federal relief funds, then the amount of such supplemental pay; you have done that?

A. Yes, sir.

Q. Sixth: The total number of

employees by months utilized for the distribution or expenditure of any or all of said relief funds and engaged in such relief work, have you done that?

A. Yes, sir.

Q. And then in the Senate Resolution, we requested the further information requested in Section 5 of the House resolution, that the place of residence of each and every employee or other person receiving expenses, allowances, or pay for assisting in the administration or disposition of such funds, and if in any county and person has been employed in such capacity who was a resident of another county, then state the county of residence of such person so employed to perform service in another county, have you furnished that information?

A. We have given you that information in the schedules which we have filed here with the committee as well as the other information listed, and I think my letter of transmittal will show that we have tried in so far as possible to give you all the information that has been requested.

Q. Now, we have no right to assume that there will be any more Special Sessions of this Legislature. We can only meet here, assuming that there will not be another called session, until January 1935?

A. That is right.

Q. Now then, the other information I want is how much bonds, or money, do you think that this Legislature should authorize to be issued to take care of the situation until that time?

A. I will have to qualify what I say, because I ought to ask you for what period of time you—if you mean for the full period of time, up until January 1935 my idea would be that the full amount of the authorization should be issued. Personally, I think that there should be, it might be well for some agency to be set up, in the wisdom of the Legislature, to have charge of the issuance or sale of these bonds—I do not think that the entire amount of the bonds should be sold at one time.

Q. Now another thing, are these reports that have been made, these auditor's reports of the various counties in the State, are those re-

ports available to members of this committee for their inspection?

A. Yes, sir.

Q. Now where these auditors have checked up the various counties, have you found that there has been certain shortages in the funds or outright stealing—

A. There have affidavits been made, and in some instances I do not believe that charged have been filed, I would say in fifteen or twenty cases.

Q. And those shortages cover about what amount of money, approximately?

A. Oh, covering not much money—just a few thousand dollars.

Q. Have there been any grand jury indictments returned against any of them?

A. I believe there has.

Q. About how many counties would those twenty cases represent—in about how many counties would those twenty cases be?

A. I would say, eight or ten counties.

Q. Have you asked the Attorney General's Department to file suit for the collection of the bonds of those who have defaulted?

A. Not yet.

Q. Have you fired every employee that has been charged with dishonesty, or has been guilty of a shortage?

A. We have it all under way.

Q. Now, have you any suggestions to offer as to how this law should be amended, or how it could be made to operate more effectively and efficiently?

A. Senator, I think you ought to have—I do not like to presume to advise the Senate—I do think, however that you should have some organization set up—I do not know whether the present organization that is set up would be the proper one, but it seems to me that it would perhaps be desirable to have some bond committee designated by the Legislature to issue these bonds. I mean a separate commission from the administrative part of it, to determine when the bonds should be issued to take care of the sale of the bonds and the printing of them and so on.

Q. That is the only amendment that you would offer to the present law?

A. Well you have caught me a little unprepared; I think I might make some other suggestions, which if I were asked to re-write the bill, I think I would make some changes in the bill in some parts. However, I am not prepared to give you that off-hand.

Q. The chairman and the directors have most of the power and the other members of the commission have they any voice in it much?

A. Yes, they have. Of course, we have only had about four meetings, but they are supposed to prescribe the rules and regulations under which these funds shall be administered. They are supposed to formulate the policies under which they shall be administered. They are supposed as I understand it, to exercise supervision—maybe that ought to be written into the body of the law—over the administration of the funds. I think perhaps it, ought to be written into the law that they should be required to make a monthly report and should analyze that report and check up on the administration of these funds.

Q. What state would you say has a model law?

A. I am not well enough informed to say, Senator.

Q. Do you think that we could profit by having three commissioners, like the three Highway Commissioners, full time, and one director, and not have it run by the Governor or by members of the committee?

A. I have not thought about that. I would not like to express an opinion on that without giving it more thought.

Senator Woodward: I have before me a statement prepared by Mr. W. T. Chumney which was delivered to me at my request the other day, which was made in open season, which purports to be an analysis of the administrative payroll for August in Bexar County, and the recites in this report that the payroll in the relief work department was \$60,817.50. Now that is the relief roll—the payroll of those who are helping there in an administrative capacity?

A. No, Senator; it is pretty bad over there but it isn't that bad.

Q. That is what he said about it.

A. Well, that is incorrect. That also included, I mean that interpre-

tation, that also includes those who were in work relief chopping wood or work in drainage ditches or any type of work relief. That is all the cash they paid out as I understand it.

Q. Your understanding is according to the report they filed over there the total payroll including the administrative expense as they understood it and as I understood it according to the questions that have been asked was about eighteen thousand dollars?

A. That is the way it looks to me; however in that eighteen thousand dollars there should be taken into account, in justice to the Bexar County board, the fact that a large part—I don't know how much—went into the commissary, which reduced the price of the food the people got and we think the commissary overhead is a part of the expense of the food.

Q. Mr. Westbrook, don't you believe, irrespective of whether any law is changed—any commission is changed or these relief matters are handled by anybody else, that we should have a special penal statute against the unlawful—what do you call it, usurpation of these funds?

A. I certainly do; I think we ought to have a statute designed—it ought to be in two sections, I think it ought to make it a misdemeanor for anybody to get these funds under false pretenses. That should not be a penal offense.

Q. A felony, you mean?

A. A felony I should say; and another section for those who are employed in administering these funds, that should be a good stiff felony.

Q. Any person entrusted with the administration of these funds who wilfully or knowingly employs or converts any of that money to his own use ought to be in the penitentiary?

A. I think so.

Q. Or if he wilfully and knowingly passes it to some person he has no reason to believe is entitled to it, it should be a felony?

A. I am not enough of a lawyer to know how you could do that. I believe any misapplication should carry a special penalty and I think the law ought to be posted in every relief headquarters throughout the State.

Senator Murphy: You show in your report the balance on hand of the relief funds on the date of your report, do you not?

A. Yes, sir.

Q. Can you give me that again?

A. As of August 1st?

Q. Whatever is the date of your report.

A. We gave that the other day, Senator, I am looking it up again.

Q. Yes.

A. We had one million four hundred and sixty thousand dollars plus, \$1,460,316.09, in the bank plus—that was in the Federal Reserve and these depositories—\$79.68 in the Federal account as of September 15th; and one thousand dollars of it was encumbered.

Q. That does not include the money in local banks which has been distributed?

A. No, that doesn't include that.

Q. Can you obtain for us a statement or a certificate of deposit from these depository banks in order that we may verify that as of that date, the date on which you show to have had that amount?

A. We could do it but the auditor has called attention to the fact that there were some outstanding checks and an audit will show more than that, a greater amount because there were some checks outstanding.

Q. Will you get the certificates or statements from the banks as to the sums on deposit on that date, September 15th?

A. Yes, sir.

Q. You said that all checks or rather all money given by the Federal Relief Administration was sent by check to the Governor of the State of Texas?

A. It is deposited to the credit of the Governor of the State of Texas in the Federal Reserve Bank in the branch at San Antonio.

Q. Who makes application for that money, the Governor?

A. The Governor. We secure from the various counties their various needs; we check them separately, use a lot of factors to qualify these estimates, then we turn that over to the Governor and the Governor files an application on the form provided by the Federal Emergency Relief Administration for these funds.

Q. You furnish the Governor

with a report and estimate of the amounts needed?

A. That is right.

Q. As now composed the State Commission considers these estimates, these reports?

A. No; they did for a while but we haven't made a request since July, I mean we haven't made up that estimate since July; ordinarily they would consider these requests.

Senator Woodward: In connection with the investigation which has been made as to the expenditure of the funds in San Antonio and the expense account, I want to read you this clipping from a San Antonio paper: "\$204,945 sought for Monkey Home. City will ask for Public Works money. An exhibition hall which also would house monkeys and similar delicate animals in winter, costing \$204,945, will constitute another project the city will seek to build under the provisions of the public works administration. Mayor C. K. Quin was authorized by the city commission Thursday to make application for the loan." Do you think that is a proper expenditure for public works? Would you endorse that if they were to try to get it out of your fund?

A. No, I don't think I would, I don't know.

Chairman Purl: I don't want to put you in the attitude of disputing the Governor's word but merely to get your idea of it. Some time after a long newspaper article about it there was the following statement in a message from the Governor: "With the Federal Government refusing to advance any further sums for Texas relief until action is taken by your body we will face a desperate crisis until some relief source is provided." I will ask you if you recall back in the early spring an ultimatum was handed down from Washington telling the Legislature if they didn't submit the constitutional amendment they wouldn't get any further relief and then the statement came from Washington if we didn't vote the bond issue we wouldn't get any further relief. I know all about it; Mr. Hopkins himself made that statement. I want to know when the statement came out of Washington we would get no further relief until we passed some sort of legislation?

A. I don't believe I have seen it in a letter, and I intended to call up Mr. Hopkins today. I discussed that with the Governor the day that statement came out. I believe it was in a paper; I believe it came out of Washington in a press dispatch. I know that was probably the interpretation that Mr. Hopkins had on it but I have not seen anything official. I think it might be a good idea under the circumstances to officially inquire from Mr. Hopkins. That is my idea of it and I think it is correct but I have seen no official communication.

Chairman Purl: I have quoted it to him by wire on last Friday and haven't received an answer. I should like to have this read in the record and then the reply from Washington to Mrs. Waldron. I sent it as State Senator, didn't get any authority from the committee and therefore sent it individually.

(The following telegrams were read):

Austin, Texas September 29, 1933.
Hon. Harry L. Hopkins,
Federal Emergency Relief Administrator,
Washington, D. C.

The Governor of Texas in a message to the Forty-third Legislature makes the following statement Quote With the Federal Government refusing to advance any further sums for Texas relief until action is taken by your body we will face a desperate crisis until some relief source is provided Unquote Please advise whether or not the Federal Government through any of its agencies has withdrawn relief from Texas pending enactment of the legislation by this body.

GEORGE C. PURL,
State Senator.

Mrs. Waldron:

Our Washington office advises telegram to Mr. Hopkins did OK will answer later.

W. U.

Senator Woodward: I want to read into the record a telegram that was sent to me and request that it be made a part of the record, and I offer all of the telegram except that which is enclosed in parentheses in the last line which I do not care to read. Mr. Westbrook, you can see the part in parentheses that I am not offering:

D55 165 DL 1/141—Corpus Christi, Tex. Sep. 29, 1933.
Senator Walter C. Woodward,
Austin, Tex.

The Texas Rehabilitation and Relief Committee appointed a committee for Nueces County the law provides for the approval of the committee by the commissioners' court Stop The personnel of the committee named was not acceptable to court Stop Every effort made by us to contact State Committee in an endeavor to adjust differences no consideration was shown by committee finally I personally called on W. E. Pope member State Committee and suggested that we try to get together he informed me hat the county committee appointed would act if he had to shove them down our damn throats Stop This committee has been installed without the consent of

court and has been furnished money by State Committee for operation will you use every influence to amend laws if necessary to correct such high handed methods and give people some voice in the administration of their affairs.

(Signed) BOB WOLF,
County Judge.

Senator Woodward: I want to offer as a part of the record the analyses of administrative payroll as prepared by Mr. W. T. Chumney, the auditor brought over from San Antonio, as part of the record.

Chairman Purl: The clerk will read it in the record.

Senator Woodward: It is not necessary.

Chairman Purl: All right, it will go in the record without being read.

(See the following two pages.)

Bexar County.
Analysis of Administrative Payroll.
August, 1933.

General Office.		Total Amount.
K. S. Wendler	\$ 225.00	
K. Graves	175.00	
Marie Silsbee	56.25	
Florence Ridge	100.00	
J. B. Hall	50.00	
E. S. Stone	40.00	
Tex Alsbury	241.50	\$ 887.75
Welfare.		
Mrs. C. K. Calloway	\$ 200.00	
Anne Walker	80.00	
W. J. Moore	80.00	
Henry Patterson	90.00	
Ruth Kolling	200.00	650.00
Bishop Supervisor (Special Investment).		
L. P. Bishop	\$ 168.30	
Ed Knight	76.66	
Al Dechman	70.00	
Q. R. Kuykendall	45.00	359.96
Central Index.		
Mrs. Kate Smiser	\$ 80.00	80.00
Total		\$1,977.71
Work Department.		
W. B. Arnold	\$ 188.75	
H. R. Moore	98.00	
Louis Powers	80.00	
E. P. Rochester	71.25	
Harry Knotts	40.00	
Otto Bills	60.00	
Ralph Girard	63.36	
H. E. Kincaid	87.50	688.85
Grand Total		\$2,666.56

Bexar County.
Analysis of Payroll for August, 1933.

Total Payroll		
Less: Administrative Payroll:		
Registration, Investment General Office.....	17	\$1,977.7
Work Department	8	688.8
Payroll, Relief Subjects.....		
Department.	Number	Number
	of Jobs.	Employees
Registration, Investigation, Central Index—General Office.....	141	28
Work Department:		
Cash Payroll.....		
Other Payroll.....	211	App. 27
Commissary.....	86	12
Relief Stations.....	102	15
Total Relief Payroll	540	80

Prepared by W. T. Chumney.

Senator Woodward: I want to file with the committee and with the Secretary of the Senate this report of the Auditor, Mr. Donnell that was given in response to my request the other day. It is rather voluminous and if the committee wants it in the record, all right, if not, it can just be filed as a part of the record in this case. The period of time covering the same matter up to the first of September, I believe, I am informed is included in the report which has already been filed. This is supplemental to the extent that I requested the same information from September 1 to September 15, and I will ask that it be made a part of this report here which has been filed by Colonel Westbrook as his report.

Chairman Purl: You have heard the request of Senator Woodward.

Senator Woodward: We have not determined whether we shall request this or any part of it to be incorporated in the permanent record.

Colonel Westbrook: I have an exhibit here that Senator Martin was examining me on Saturday morning, and if I may explain it and ask permission of the Steering Committee to file it in the records, may I proceed?

Senator Woodward: Yes.

Colonel Westbrook: This is a report made by the Reconstruction Fi-

nance Corporation which assigned the funds under the previous administration. It covers a number of needy families and needy non-families as reported by the three regional chambers of commerce for the months of March and April, 1933. The purpose of putting it in the record is to indicate the conception of destitute unemployment in the State of Texas, held by the three regional chambers of commerce at that time. And I want to state in that connection that the three regional chambers of commerce only reported what they got from their counties. The method of compiling figures under that administration was so inaccurate and so much of an estimate that this report shows that for the months of March and April 36 per cent of the people of the State of Texas were supposed to be on the relief rolls, and I wanted to get that into the record as compared with the present situation where records of a different nature are required and certainly without any implied criticism of the regional chambers of commerce.

Chairman Purl: Do you want to read it?

Colonel Westbrook: I don't think so, it is quite lengthy.

(See the following five pages.)

Texas.

254 Counties.

Total Population, 5,801,377.

Total Families, 1,632,543.

	Needy Fmls.	Needy N.-Fmls.	Total Need.	Request.	Total.	R. F. C. Bal.	Ava
East.....	212,366	56,506	\$1,609,933	\$1,198,600	\$411,333	\$ 50,098	---
South.....	152,809	70,216	778,963	541,200	237,763	62,176	---
West.....	154,305	89,885	1,172,946	930,910	242,036	16,899	\$2
	519,480	216,607	\$3,561,842	\$2,670,710	\$891,132	\$129,173	\$2

Administration..... 10,000

\$2,680,710

(583,518 Families.)

Rate \$6.00

36—%

229 Political Sub-divisions.

January and February, 1933.

	Families Adjusted Actual in Families.† Conference.		R. F. C. Grant.	Available.	Total for Relief.
East (70)	162,851	219,125*	\$1,119,365	\$430,323	\$1,549,688
South (45)	120,421	140,847	682,760	114,219	796,979
West (114)	120,930	134,984†	753,708	204,746	958,454
	404,202	494,956	\$2,555,833	\$749,288	\$3,305,121

Administration 10,000

Rate \$8.18.

\$2,565,833

*16 Counties not reporting for February.
 †28 Counties not reporting for January, and 56
 February.
 ‡Families reported for January and February,
 with March and April Applications.

New Appl. West
 2,923 (5 not
 shown.)
 New Appl. South
 5,125 (1 not
 shown.)

Texas.

East.

70 Counties.

Population, 2,725,359.

Families, 908,453.

	Needy Fmls.	Needy N.-Fmls.	Total Need.	Request.	Total.
March	112,034	30,075	\$ 873,757	\$ 629,500	\$244,257
April	100,332	26,431	736,176	569,100	167,076
Totals	212,366	56,506	\$1,609,933	\$1,198,600	\$411,333

Total Rate 7—,

Texas.

South.

52 Counties.

Population, 1,301,179.

Families, 296,817.

Renewals.
(45)

	Needy Fmls.	Needy N.-Fmls.	Total Need.	Request.	Total.	F
March	77,430	34,748	\$ 376,438	\$ 249,850	\$126,588	\$
April.....	67,065	33,733	313,567	249,850	63,717	.
	144,495	68,481	\$ 690,005	\$ 499,700	\$190,305	\$
Rate 4+.						
New. (7)						
March	4,132	855	\$ 44,229	\$ 20,750	\$ 23,479	.
April.....	4,182	880	44,729	20,750	23,979	.
	8,314	1,735	\$ 88,958	\$ 41,500	\$ 47,458	.
Rate 10.						
Grand Totals.....	152,809	70,216	\$ 778,963	\$ 541,200	\$237,763	\$

Texas.

West.

Renewals.

114 Counties.

Total Population, 1,702,293.

Total Families, 410,246.

	Needy Fmls.	Needy N.-Fmls.	Total Need.	Request.	Total.	R. F. C. Bal.
March	76,349	44,825	\$ 583,802	\$ 450,695	\$133,107	\$16,899
April	73,194	44,054	555,676	451,195	104,481	-----
Totals	149,543	88,879	\$1,139,478	\$ 901,890	\$237,588	\$16,899

Rate 6+.

New.

(11)

Total Population, 72,546.

Total Families, 17,027.

March	2,360	498	\$ 16,734	\$ 14,510	\$ 2,224	-----
April	2,402	508	16,734	14,510	2,224	-----
Totals	4,762	1,006	\$ 33,468	\$ 29,020	\$ 4,448	-----

Rate 7—.

Grand Totals..... 154,305 89,885 \$1,172,946 \$ 930,910 \$242,036 \$16,899

Rate 6+.

Senator DeBerry: I think everyone had a resolution from the East Texas Chamber of Commerce going on record for not over \$8,000,000 bond issue to be matched by Federal \$8,000,000 to last until the next session. I wrote a letter to Mr. Cline and to Mr. Leeman and have a letter from Mr. Cline advocating that there be not over \$8,000,000 issued. Also a letter from Mr. Taylor, assistant manager of the South Texas Chamber of Commerce quoting Mr. Leeman as stating that the South Texas Chamber of Commerce recommended the issuance of not over \$8,000,000 of bonds to last until the next regular Session of the Texas Legislature. I would like for that to go in the record.

Chairman Purl: Let it be identified and placed in the record.

Resolutions Adopted by the East Texas Chamber of Commerce in Longview, September 19, 1933.

Whereas The East Texas Chamber of Commerce realize the need for providing adequately for the relief of destitution, yet believes that such relief should be supported out of State and Federal funds sparingly and only during a time of emergency, therefore be it

Resolved by the East Texas Chamber of Commerce that it recommend to the Legislature of Texas, now in extraordinary session assembled, That at this present Session of the Legislature there not be issued more than \$8,000,000 in bonds of the \$20,000,000 of bonds for relief purposes recently authorized by amendment to the Constitution of Texas. Such an amount, together with funds to be provided by the Federal Government on the basis of matching dollar for dollar of State funds, will provide relief averaging \$1,000,000 a month for the sixteen months that will elapse between now and the time of the meeting for the next Regular Session of the Legislature of Texas. Such an amount we believe will prove adequate.

Whereas The Comptroller of Public Accounts for the State of Texas and some members of the Legislature of Texas have made public statements which indicate that the anticipated revenues of the State of Texas for the current biennium will

be adequate to meet existing appropriations, provide for payment of maturities and interest on \$8,000,000 of bonds for relief purposes, and probably retire a part of the existing State deficit; and

Whereas, It is believed a large volume of delinquent taxes are due the State from taxpayers able to pay, the collection of which would materially increase the State's revenues over presently anticipated figures; and

Whereas Present conditions require a continuation of the prudent policy of reduced State expenditures established by the Forty-third Legislature of Texas at its Regular Session; therefore be it

Resolved by the East Texas Chamber of Commerce, in the interest of promoting the business recovery of the Nation and Texas, That it declare its opposition to all proposals for increasing existing State taxes and imposing a new State taxes on the people of Texas; and be it further

Resolved that it declare its support of a vigorous campaign for the collection of delinquent taxes due the State of Texas.

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Honorable Tom DeBerry,

Senate Chamber,

Austin, Texas.

Please accept my sincere thanks for your inquiry Stop I am now polling our directors and executive committee by wire and can give opinion for West Texas tomorrow Stop My own judgment is issuance of eight million dollars State bonds to be evenly divided direct relief and work relief is sufficient until nineteen thirty-five Stop Admitting necessity of political control of direct relief and also admitting some wasteage inevitable I believe we should go along under any plan formulated by the Legislature as a temporary emergency Stop Far more important and more lastingly dangerous is the theory of permanent welfare relief proposed by Aubry Williams Stop Having organized the first community chest in the south in nineteen twenty-one and now serving my twelfth consecutive year as chairman of its budget and campaign committee I claim field experience and knowledge of

this welfare relief racket Stop Your and my grandchildren will pay in increasing amounts and lasting damage will be done the entire citizens of Texas if Williams plan of relief is approved and inaugurated by our state Stop I take liberty of writing you in more detail.

WALTER CLINE.

San Antonio, Texas,
September 28, 1933.

Hon. Tom DeBerry,
Senate Chamber,
Austin, Texas.

My Dear Senator:

Immediately upon receipt of your letter of September 27, I got in long distance telephone communication with Mr. Ray Leeman and read to him your letter.

It is his opinion that \$8,000,000 in Texas State bonds matched by a like amount of Federal funds would be entirely ample to meet every exigency.

Mr. Leeman will give your letter his personal attention immediately upon his return to the city.

Respectfully yours,

(Signed) BUCK TAYLOR,
Assistant General Manager.

Chairman Purl: I would like for Mr. Donnell to take the stand for just a minute.

Senator Small: Governor Witt had a witness, a lady.

Chairman Purl: He said he was going to wait until the morning for that.

George R. Donnell was duly sworn by the chairman to tell the truth, the whole truth and nothing but the truth and on oath testified as follows:

Chairman Purl: Your name is George R. Donnell?

A. 'George R. Donnell.

Q. In what capacity do you work for the commission?

A. I am the chief auditor and accountant of the commission.

Q. I asked you for certain documents, will you take them in order and discuss them.

A. There are two classes of documents here and they reflect various periods of time. We have reports from certified public accountants who have been engaged by the chairman of the county boards of welfare and employment and prior thereto by the chairman of the county relief committess who report to have made

audits in accordance with programs prescribed by this office. The records from these certified public accountants cover in one group the named period prior to March 1, 1933, in other groups subsequent reports for each thereafter. The second section of this audit I have brought here is duplicate audit reports that have been made by members of our own auditing staff, these forty-three persons mentioned a while ago as doing auditing work. The second group are tentative in that they have not been passed finally by myself; I have not had a chance to read them up to the present time. They are also set up for the period prior to March 1st and some for each month thereafter.

Q. The auditors were employed by the office and paid on per diem to audit these particular accounts?

A. Oh, the arrangement and agreements between the auditors and the county boards were left entirely to the discretion of the chairman of the county boards or county relief committees. Some may have been on per diem and some on for contract fee, we didn't figure in it.

Q. Will those reports disclose those shortages that you have discovered heretofore?

A. I believe they will.

Chairman Purl: The Chair would like to offer these as exhibits, not to go into the record but to be returned to the auditor as soon as the Steering Committee and the Senators generally have had opportunity to study them. I didn't know they were available until a few days ago. I will be responsible for them.

Whereupon the motion was made by Senator Woodward that the Committee of the Whole Senate recess until 9:30 o'clock Tuesday morning, October 3, 1933. Thereupon the question was put and the motion prevailed.

Morning Session.—October 3, 1933.

The Committee of the Whole, pursuant to adjournment, reconvened at 9:30 o'clock a. m., whereupon the following proceedings were had:

Chairman Purl: The Committee of the Whole will come to order, please.

The Chair has received the following telegram, which I will ask the secretary to read into the record.

The secretary thereupon read the following communication:

"Edinburg Tex

"Senator George C Purl

"Austin Tex

"We are anxiously looking to your body for relief in the matter of disbursement of relief funds Stop Our commissioners in session today bitterly deplored the manner in which funds are being disbursed in this county also the character of men being employed in different parts of the county Stop Men who are under indictment some of whom have just been released from jail and especially those who have been most active in looting this county out of large sums of money we particularly deplore some of the personnel of the present committee and our county administrator and we are pleading to you as earnestly as we know how to give us relief from this situation since most of our people were supporters of the Ferguson ticket we feel we should not be discriminated against in this matter.

"COMMISSIONERS COURT HIDALGO COUNTY TEXAS."

Chairman Purl: The Senator from Eastland sends up the following communications to be read into the record.

The secretary thereupon read the following communications:

"Sweetwater Tex

"Welbourne B Collie

"Senate Chamber Austin Tex

"Relief administration committee satisfactory average commissioners' court might be better

"CHAS W LEWIS

"County Judge Nolan County Tex"

"Abilene Tex

"Senator Wilbourne B Collie

"Senate Chamber Austin Tex

"Present and past set-up for relief administration not satisfactory to court Stop Commissioners court equipped to better administer funds at less expense and to get immeasurably more improvements for the money spent Stop Past expenditures wholly wasted from standpoint of permanent improvements

"JOHN CAMP"

"Throckmorton Tex

"Hon Wilbourne B Collie

"State Senator Austin Tex

"The commissioners court can in my opinion handle relief fund better

than any other organization Stop The new law with reference to commissioners salaries should be repealed

"EWELL CONDRON

"County Judge"

"Haskell Tex

"Wilbourne B Collie

"State Senator Capitol Bldg Austin Tex

"We are unanimous in the opinion that the commissioners court can more efficiently and more economically administer relief funds in Haskell County than any independent agency we are willing to pay administration cost out of county funds take relief work out of politics

"CHAS M CONNER

"County Judge"

"Albany Tex

"Senator W B Collie

"Austin Tex

"Believe would be more economical for commissioners court to administer this fund

DICK McCARTY"

"Colorado Tex.

"Honorable Wilbourne Collie, Senator Senate Chamber

"Austin Tex

"Mitchell County relief board votes unanimously to commend Texas rehabilitation and relief commission and Lawrence Westbrook for the excellent work done and recommend this method of disbursement be continued urging you to support such a measure

"C E Way Chairman C C Thompson S H Bedford T W Stoneroad P K Mackey J H Greene Secretary"

"Sweetwater Tex

"Hon Wilbourne B Collie

"Senate Chamber Austin Tex

"Personnel Nolan County relief commission above reproach though most of us feel matter could be handled as previously without expense instead of present line up relief officer formerly paid by Community Chest with entire set-up public spirited affair using all relief funds for actual relief appreciate your telegram best regards

"MILLARD COPE PUBLISHER
THE SWEETWATER RE-
PORTER"

"Snyder, Texas
"Sept. 23, 1933.

"Hon. W. B. Collie,
"Austin, Texas.

"Dear Sir:—I have been trying to keep up with the proceedings of the Legislature in reference to the bond relief program. I am of the opinion that if you could provide a means so that each county should have a relief officer or organization for the investigating of the necessity for direct relief and also for work this organization to under the joint control and the Federal and State Government and paid for out of the Federal funds. Then use the present set-up of the counties and cities for the providing of projects and paying out of the funds and giving them the power to reject the recommendations of the relief agency for cause shown. In the case of road and street work you could also provide a check on that by having to secure an approval of projects by some part of the present highway set-up. This would eliminate the expense of handling these funds except as to the selecting and passing on the cases entitled to relief and in my opinion an organization for this is needed and should be independent of the body administering the funds.

"We all hope that you will be able to handle this matter so that there will be no increase in present taxes either in the form of a sales tax or income tax.

"Yours very truly,
"ROBT. H. Curnutte,
"County Judge."

"Baird, Texas,
"September 13, 1933.

"Hon. Wilbourne B. Collie,
"State Senator,
"Austin, Texas.

"Dear Sir:—

"We are writing you in reference to the \$20,000,000.00 bond issue recently voted by the people of the State of Texas. This vote was large for the issue on account of the distress among our people.

"When you are called upon to draft suitable laws and vote for same in reference to the amount of money to raise through the issuance of said bonds, the handling of same, we would appreciate you keeping in mind that it was voted strictly for relief purposes. We understand that there is some sentiment in favor

of giving this money to the Highway Department for distribution. This is not what the people understood and will not be agreeable to the people of Callahan County who voted 2 to 1 in favor of the bonds.

"The Texas rehabilitation and relief commission, which was created by the Regular Session of the last Legislature, should be amply able to handle the relief program with the assistance it will receive from the Federal Government from month to month. It has a good working organization and is being handled without much administration expense.

"We know the needs of the people of this county and when winter sets in there is going to be much suffering among the poor class of people and among the old and disabled people. A work program would not reach them as they could not perform hard work. Our county and the towns within the county are wholly unable to help with the relief work as far as money is concerned so we will have to depend upon this relief coming from some agency.

"We are not asking you to vote for the entire \$20,000,000.00 bond issue to be issued all at once but make it so it can be used as and when needed. The public in general is interested in the relief work, the churches and all of our people and something must be done to aid them until they can readjust themselves to the present day conditions.

"Assuring you that we appreciate your splendid service which you render, and as our Senator we ask that you vote for such measures that will give relief to the people who are so badly in need.

"Yours truly,

"J. H. CARPENTER,
"County Judge, Callahan Co.,
Texas.

"EZRA COOK,
"Administrator, Callahan County
Board R. F. C.
"B. L. RUSSELL, JR."

"Sweetwater, Texas,
"September 22, 1933.

"Mr. W. B. Collie, State Senator,
"Austin, Texas.

"Dear Mr. Collie:

"I note from the newspapers that there has been considerable discussion in Austin with reference to the

Texas relief committee and their activities.

"It seems that a good many of the county boards are complaining. The relief committee in Austin has been very nice to us and have assisted us in every way possible. Of course they are supervising us very closely to see that no more money is spent than is absolutely necessary to take care of the distressed conditions. It is my opinion that most any of the counties would get along fine if they did not attempt to use the fund for purposes other than what it was intended for. We probably would be complaining about the Relief Commission office at Austin if we were using the funds as they have been used, so it is reported, in other places.

"I believe the Relief Commission at Austin is doing a good job of this relief work. I know they are in our county and they are doing it in a very efficient way. I have talked to my committee and they are well pleased.

"I understand there has been a good deal said about politics. You would not know unless you knew the men personally who voted for Ferguson and who voted for Sterling. We seem to have four Sterling men and one Ferguson man on the committee, but that does not seem to make any difference as they are all interested in one thing and that is to help the distressed conditions and no politics ever enters their minds. None of the committee knew they were going to be appointed until after they were appointed. If they had known it none of them would have agreed to it.

"I am writing you this letter so that you might know what the situation is in this county. We have no complaint.

"There has never been a relief committee man in this county except a man from San Angelo, who, I understand, is district supervisor. He does not bother us any, just comes up here and goes over the work with the relief officer. He is always very pleasant and they get along well together.

"Yours very truly,

"L. J. GEER,

"County Chairman."

"Abilene Tex

"Honorable Wilbourne B Collie

"State Senator Austin Tex

"Believe local committee carefully and advisedly selected for the purpose better able and qualified to administer relief than any other agency Stop Freedom of action to handle local situation would affect economies over present set-up Stop Observation in two counties handled by commissioners court makes me feel it unsatisfactory

"T N CARSWELL

"Secretary Chamber of Commerce."

"Roby Tex

"Hon Wilbourne B Collie

"Senator Senate Chamber Austin Tex

"Present relief administration in Fisher County satisfactory.

"CARL C WILSON

"County Judge."

Chairman Purl: Colonel Westbrook, have you anything further you want to offer?

Colonel Westbrook: I haven't anything further, Mr. President.

Senator Small: Mr. Chairman, the committee is informed that Governor Witt has a visitor here that he would like to introduce. We will be very glad to hear her at this time.

(Lieutenant Governor Edgar E. Witt thereupon introduced Mrs. J. Lewis Thompson, who addressed the committee upon the subject of farm homesteads.

Thereafter the Committee of the Whole resolved itself into the Senate.)

The Senate at 11:46 o'clock a. m. resolved into the Committee as a Whole, whereupon the following proceedings were had:

Chairman Purl: The Committee as a Whole will come to order.

Senator Martin: If it is proper, Mr. Chairman, I want Senator Parr brought around or if it is proper, to make a statement at his desk with reference to these telegrams this morning.

Chairman Purl: Senator Parr is a member of the Senate, if you want to ask him any question it is proper.

Senator Parr: Let me come around to the stand.

Senator Martin: All right, Senator Parr. There has been some

question brought up here with reference to certain employees, committee men, etc., down in your part of the country. If you can make an explanation as to that, let me have it, please.

Senator Parr: Let me read the telegram which came (reading): "We are anxiously looking to your body for relief in the matter of disbursement of relief funds Stop Our commissioners in session today bitterly deplore the manner in which funds are being disbursed in this county also the character of men being employed in different parts of the county Stop Men who are under indictment some of whom have just been released from jail and especially those who have been most active in looting this county out of large sums of money we particularly deplore some of the personnel of the present committee and our county administrator and we are pleading to you as earnestly as we know how to give us relief from this situation since most of our people were supporters of the Ferguson ticket we feel we should not be discriminated against in this matter."

Senator Poage: Where is that from, Senator?

Senator Parr: This is from Edinburg. My friends in Hidalgo sent me a list of five names and asked me to see if I couldn't get them appointed on the relief committee. I gave Mr. Pope the five names, you know he is one of the seven committee men, and I asked Mr. Pope to see Mr. Westbrook and have those men appointed; he went to Mr. Westbrook and Mr. Westbrook appointed them. I have never heard a word against any of those men until this message came in here.

Senator Martin: Do you know the personnel of that bunch of men?

Senator Parr: I do.

Senator Martin: You know them personally yourself?

A. Yes. Mr. Westbrook asked me not long ago if I had anything to do with the appointment of them. I says, "Yes." I take absolute responsibility for those men being appointed. Now, as far as those men ever having done anything out of the way, I don't know it. I want to say this that I asked Mr. Montgomery this morning what he knew about this message, and Mr. Montgomery said everything in this mes-

sage is not true; that those men have been indicted, but he says, "You know what an indictment in Hidalgo County means. They just indict them to besmirch their character and those kind of things."

That is all I can tell you about it.

Now, I want to say there is nothing in the world against Mr. Westbrook appointing those men. I assume all responsibility.

Senator Martin: Senator Parr, is that all you desire to say with reference to that?

Senator Parr: Yes.

Senator Martin: I think there is something else concerning affairs in—what county is that?

Senator Parr: Hidalgo.

Senator Rawlings: Nueces County.

Chairman Purl: Senator Woodward, I think, read a telegram about that yesterday.

Senator Parr: I don't know anything about Nueces County.

Senator Martin: Senator Parr, do you desire to make any other statement? You are a member of this committee and of course you can do as you please.

Senator Parr: I don't know that I have. I will answer any questions that you ask me, if I can.

Senator Woodward: You haven't got any local bills you want to introduce?

Senator Parr: No, I have got them all introduced. I have a few I want to pass.

Senator Martin: That is all.

Mr. Chairman, at this time if it is in order, I want to ask Mr. Westbrook to make a statement with reference to that county—what county is that?

Colonel Westbrook: Nueces County. I have this to say about that, Mr. Chairman. I talked to the county judge down there yesterday and I think we are going to get that fixed up satisfactorily to everybody concerned. I think within a day or two it will be arranged satisfactorily.

I have some telegrams here from those depository banks. Somebody yesterday wanted to know about that.

Senator Martin: I think Senator Murphy wanted that.

(Colonel Westbrook thereupon passed some papers to Senator Murphy.)

Senator Martin: That is all.

Chairman Purl: Has the committee anything further to offer?

Senator Martin: That is all we have.

Chairman Purl: The Chair would like to have read into the record at the request of Senator Moore, a letter which Senator Moore wrote to me as chairman, asking for information. I conveyed the request of Senator Moore to Mr. Westbrook, and received his reply. Senator Moore desires that this be read into the record, the letter and the memoranda at the bottom. The secretary will please read the letter.

The secretary thereupon read the following communications:

"Sept. 29, 1933.

"Hon. George C. Purl,

"Chairman, Committee of the Whole,

"Senate Chamber,

"Austin, Texas.

"Dear Senator Purl:—

"I wish to request, that you have Col. Lawrence Westbrook, director of rehabilitation and relief, in Texas, file with the Committee of the Whole, the following information, to-wit: The name, position and salary of each employee in each county in Texas, for the months of March, April, May, June, July, August, and September, 1933.

"Respectfully yours,

"JOE M. MOORE,
"State Senator."

(Penned note at bottom of above letter:)

"Col. Westbrook:

"Please advise if you can comply with this request of Senator Moore—Please return this letter or a copy—Thanks.

"GEORGE C. PURL,
"Chairman."

"September 30, 1933.

"Honorable George C. Purl

"President, Pro tem

"Senate

"Dear Senator Purl:

"Relative to the request of Senator Moore for the names of all employees of relief boards in the various political subdivisions of the State for the months of March, April, May, June and July, I wish to advise that due to the fact that prior to the installation of county administrators in the various counties of the State on the first of August, we

did not require relief committees in the various political subdivisions to furnish us with the names, and we do not have a record of them.

"To secure this information would doubtless require several days' time, and I do not believe it would be at all accurate. Prior to the putting into effect of the new Federal rules and regulations, which was about August 1, each county relief committee was permitted to use its own discretion in administering relief within its own county.

"If you so direct, however, I shall set the machinery in motion to get as much of the information required by Senator Moore as possible.

"Yours very truly,

"LAWRENCE WESTBOOK,
"Director."

Senator Neal: Mr. Chairman.

Chairman Purl: The Senator from Carthage.

Senator Neal: I would like to add to that request a request that the amounts of money that have gone into these respective counties up to and including the full time of the report.

Colonel Westbrook: That is included in the report as it is now, Senator.

Senator Neal: I would like to ask Mr. Westbrook a few questions.

Chairman Purl: All right, Colonel Westbrook.

Thereupon Colonel Lawrence Westbrook having previously been sworn to tell the truth, the whole truth, and nothing but the truth, resumed the witness stand and testified as follows:

Senator Neal: Colonel Westbrook, I would like to know something about the placing of the C. C. camps: Who has authority in placing them and how they are placed over the State?

A. The procedure, Senator, is that whenever any community wants one of those camps they make application on forms provided either by the forestry service, the Federal forestry service or the Department of Agriculture for soil erosion camps or the park service for park camps, depending upon the type of camp they want, and we transmit those requests to Washington with such supporting data as we can and the requests are approved by the service in Washington concerned; approve

or disapprove the requests made or make investigations.

Q. How many camps were allowed to Texas?

A. Thirty-four, I think, is the allotment.

Q. Well, has that number been increased recently?

A. We hope that we will have double that number as the result of some camps being moved from the colder climates into this State.

Colonel Westbrook: I made a request of Mr. Colp, of the parks board early in the summer and also early in the spring for a camp in my county, in my district, and he told me that the allotment had been made at that time, for those thirty-odd camps, and I told him that I would like him to consider that I wanted one for my district for the fall. Now, I hear that some Senators have a number of camps in their districts. Don't you think that those camps should be distributed as evenly as possible over the states so that a Senator would get at least one in his district?

A. Yes, I do, Senator. I think there are considerations. I know there are two considerations by the National park service, for example, it bases its approval or disapproval of those camps as to the accessibility of the camp to people who are not served by any similar facilities, the second is the natural surroundings in the area submitted as they might be susceptible to development for park purposes.

Q. Don't you think that every senatorial district in the State would have enough accessibility that you will be able to place a camp that would improve that section very materially?

A. Senator, I think those camps ought to be developed throughout the State and since the senatorial districts are based on population, I don't see any reason why that would not be a very strong reason for having them, for having at least one in each senatorial district.

Q. I will say, Colonel Westbrook, that I have talked to several members of the Senate this morning and I asked them if they had some camps in their districts and they say they have not. Now, we, who don't have camps, Colonel Westbrook, feel that our constituents expect as much of us as the constituency of other Sen-

ators and while we have not brought any political pressure to bear by any means, we would like to have some consideration.

A. I would like to explain, Senator, how that is handled by the Rehabilitation Relief Commission. The only thing we have to do is the filing of the applications. In the case of parks, the parks board, that is Mr. Colp, representing the parks board, assumes responsibility of working up the locations for the camps, securing title to the land and so on, when that is submitted to us we forward it on to Washington and do what we can to get approval of the project. We have never taken the initiative in starting these camps anywhere. After they are started, we work on them, furnishing engineering information required by the Federal Government. I might say on these parks, that has been the function of the parks board. We have nothing to do with those.

Q. I will say for your benefit and for the benefit of the Senate, I had a letter from my county judge yesterday urging that I secure this camp, for which we have been negotiating for some time, and also some complaints from other counties in my district, that as yet they had received no consideration.

A. I want to explain to you that I am not seeking to alibi anything; that is the way it works.

Chairman Purl: Any questions by members of the committee?

Are there any further questions to be asked of Colonel Westbrook? We are about to, at least temporarily, to close the hearing. I want to know, Colonel Westbrook, if you have gotten all the information before the committee that you want to. You are privileged to present any information that you want to; if you have any more information, we will be glad to have you present it. Have you presented all the information which you want to lay before the committee?

A. So far as I know, I have, Senator. I appreciate very much the consideration the committee has shown me in this hearing.

Senator Moore: Mr. Chairman.

Chairman Purl: The Senator from Hunt.

Senator Moore: At my request, Mr. John Shaw of Harris County has compiled for this committee an

analysis of case load by ages. I don't like to ask that the committee be burdened with all this compilation, but I would like to have included in the record the total according to the ages.

Chairman Purl: Send it around and the secretary will read the totals.

Senator Moore: I don't care about having it read.

Chairman Purl: Well, if you will

just run a ring around the portion that you want in the record, or something, the reporter is not instructed to include the items under the ring, with a little brief summary showing just what it is. Is that all right?

Senator Moore: Yes, sir.

The following is the total analysis of case load by ages for Harris County, requested to be placed in the record by Senator Moore:

Analysis of Case Load by Ages.

	Age 1 to 6.		Age 7 to 16.		Age 17 to 21.		Age 22 to 45.		Age 46 to 64.	
	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.
Total—White.....	2,073	1,943	3,507	3,116	1,140	1,123	4,134	4,216	1,711	1,307
Total—Mexican....	701	736	832	735	157	144	728	858	165	107
Total—Negro.....	1,505	1,404	2,160	2,201	454	657	2,224	3,082	685	813
Totals.....	4,279	4,083	6,499	6,052	1,751	1,924	7,986	8,156	2,561	2,327

Grand Total 47,639.

Senator Moore: Now, there is another thing, Mr. Chairman. I think this committee ought to have in its possession, Mr. Colp as chairman of the State Parks Board has some deeds which I understand have been filed with somebody, some State official, to some park property which has been taken over recently. I understand there are some notes outstanding against this property. I think this committee ought to have copies of those deeds to any parks which have been received by the parks board during the past,—I will say, since the 1st of January, 1933. I would like to have Mr. Colp bring those deeds in or certified copies, so we can have those as a permanent record in this investigation.

Senator Woodward: Mr. Chairman.

Chairman Purl: The Senator from Coleman.

Senator Woodward: I think it is imperative that the Senate come to the consideration of legislation relating to the issuance of bonds and the distribution of the bonds; I think it is imperative that we get to that at the earliest possible moment. There are several bills now pending before this committee. I don't know whether this committee wants to take them up and consider them as a Committee of the Whole or have a subcommittee—I would like to hear from some one as to what they think is the best plan. At any rate, I think that a subcommittee of five ought to be appointed by the Chair to take the pending bills and make some report to the full committee and then let the full committee take action on it.

Senator Holbrook: Mr. President, I move that a subcommittee of five be appointed for the purpose of presenting these bills.

Senator Martin: Mr. President, just a word of inquiry. If this motion as made by the Senator from Galveston, is adopted, if a committee should be appointed to draft a bill, would that bill then take the place of the bills that are now pending here?

Chairman Purl: I assume that the bill drafted by the committee will probably be a substitute for one of these bills pending and it will be submitted to the Committee of the Whole for consideration.

Senator Martin: I want to ask

one other question, please. If this subcommittee prepares a bill would that in any wise silence the members of this Senate committee and prevent them from at any time preparing a substitute amendment or anything else that they may see fit to present?

Chairman Purl: The Chair will state positively—I assume the motion when it is put will be that the subcommittee will place the bill before the Committee of the Whole and the Committee of the Whole in turn will either recommend one of the bills or draw up a substitute. It will in no wise prevent any Senator from exercising his right to introduce a bill or amendment if it is in the proper shape and form.

Senator Martin: No member of that committee—

Chairman Purl: No, sir; any member of the Senate can introduce a bill. This subcommittee will offer it to the Committee of the Whole, and they in turn will either recommend that one or work up a substitute. Are you ready for the question?

Voices: Question.

Thereupon the question was put and the motion prevailed.

Senator Woodward: Mr. Chairman, I don't know when you are going to appoint the committee, but I move that this committee stand at recess, subject to the call of the Chair.

Senator Oneal: Will the Senator yield?

Senator Woodward: I yield.

Senator Oneal: Mr. Chairman, I want to make an inquiry. Is it understood that this record will be printed in the Journal or otherwise?

Chairman Purl: It has never been determined so far. It has been transcribed into five copies and they are on file here available to the members, but there has been no recommendation made or motion made that we recommend that it be printed.

Senator Woodward: I think that is a matter that would have to be determined by the Senate. I don't think this committee would have authority to say whether it should be printed in the Journal or not.

Senator Oneal: Mr. Chairman, that is what I had in mind. I think after we have spent the time that we have spent here that the House

of Representatives, if we are not going to print this, should be furnished with one or two copies of the transcript that we have made. They will be discussing and considering the same bills, the same questions we have before us now. If it is not proper here, then in the Senate I intend to make a motion that we furnish the House with two copies of the record we have here.

Chairman Purl: Was that a motion or a suggestion?

Senator Oneal: If it is out of order here, I will make the motion in the Senate.

Chairman Purl: I did not get the suggestion.

Senator Oneal: The motion I was going to make before the Senate here was that one or two copies of the transcript, if it is not to be printed in the Journal of the Senate, be furnished to the House for their use. As I understand the ruling of the Chair, that would have to come in the Senate.

Chairman Purl: The Chair will hold right at this minute that any message that goes to the House has to come from the Senate.

Senator Woodward: Mr. Chairman, I move that the Chair be given such time as he desires in which to formulate the committee which he has been authorized to appoint, and that the Committee of the Whole will stand at recess, subject to the call of the Chair.

Senator Fellbaum: Will the Senator yield?

Senator Woodward: I yield.

Chairman Purl: The Senator from Bexar.

Senator Fellbaum: Mr. Chairman, is the testimony in this investigation closed?

Chairman Purl: Apparently everything is in that everybody wants.

Senator Fellbaum: If this matter is closed, Mr. Chairman, I want to make a motion.

Chairman Purl: There is a motion before the committee that we stand at ease, subject to call.

Senator Fellbaum: I understand from a statement made awhile ago that the hearing, as far as any more testimony being offered, is closed.

Chairman Purl: All the evidence now available is in. The motion now pending is that we stand at ease subject to call. I presume in the event something should come up

that the committee could be reconvened.

Senator Woodward: Mr. Chairman, we have to stand at ease because the subcommittee has to report back to the Committee of the Whole.

Senator Fellbaum: I understand that the hearing, as far as offering any more evidence is closed.

Chairman Purl: If you have got any more evidence I suppose they will hear you.

Senator Fellbaum: No, I haven't got any more evidence. I want to make a motion.

Senator Stone: Mr. Chairman, with reference to the question brought up by Senator Fellbaum, it may be possible that I want to ask the indulgence of this committee in putting on a witness possibly this afternoon, if that would be permissible.

Chairman Purl: Well, the Chair will confer with the Steering Committee from time to time and with the other members of the committee and if there is any occasion arises that would justify that we go back into the Committee of the Whole, we can call the committee together.

Senator Fellbaum: I want to make a motion, now, Mr. Chairman.

Chairman Purl: There is a motion pending.

Senator Woodward: He can offer a substitute.

Senator Fellbaum: This is not a substitute motion. The motion is merely this, Mr. Chairman, we have heard evidence here of a character that at the time I thought possibly would be substantiated by other facts brought into this record which would really prove something. However, if this testimony is closed, those facts which have been introduced have not been corroborated and don't mean anything, they are absolutely immaterial and irrelevant to any question that is pending here. That is the testimony of this disgruntled office seeker, Mr. Chudej who testified here. There is absolutely no connection between his testimony and the question pending here. His testimony means nothing.

Also the testimony of the clerk from the bank is absolutely immaterial and it means nothing to anybody. It doesn't prove anything.

I therefore make a motion that

that testimony be stricken from the record.

Chairman Purl: The motion has been made once that it be stricken from the record and it was voted down. You will have to reconsider the vote by which it was ordered in the record.

Senator Fellbaum: I don't think so, Mr. Chairman. It was thought that there would be some testimony introduced later that would connect this testimony up with the question now pending.

Senator DeBerry: A point of order, Mr. Chairman.

Chairman Purl: State the point of order.

Senator DeBerry: I raise the point of order that there is a motion pending that this Committee of the Whole recess subject to the call of the Chair.

Chairman Purl: I said that at the beginning. There is a motion pending, Senator.

Senator Fellbaum: I understand, but I want to make a motion now. I stated that I wanted to make a motion.

Chairman Purl: That is true, but in order to make your motion now you would have to get the unanimous consent of the Senate.

Senator Fellbaum: Then I ask the consent of this committee now to present my motion.

Chairman Purl: The motion pending now is that the Committee of the Whole stand at recess subject to the call of the Chair. The motion was made by the Senator from Coleman.

The Senator from Bexar now asks the unanimous consent that that motion be held in abeyance and that he be permitted to make a motion

to expunge from the record certain testimony.

Senator DeBerry: Mr. Chairman, there is no use for us getting up here and starting back over all this. It is 12:00 o'clock. We have got plenty of time to fight later. Therefore, I am going to object; I am going to object to anything other than the question of whether we recess and go out to eat.

Chairman Purl: The question before the committee is that we stand at recess subject to the call of the Chair. Are you ready for the question?

Senator Sanderford: Mr. Chairman.

Chairman Purl: The Senator from Bell.

Senator Sanderford: I make a motion that the committee stand at recess until 2:30 o'clock this afternoon.

Chairman Purl: A motion has been made that the Committee of the Whole stand at recess subject to the call of the Chair; a substitute motion has been made that the committee stand at recess until 2:30 o'clock this afternoon.

The substitute motion was put, a viva voce vote taken, and the chairman announced that the substitute motion was denied; whereupon a roll call was demanded and upon the roll being called, the secretary announced the following result: 11 yeas, 13 nays, 2 present—not voting.

The original motion was then put, a viva voce vote was taken and the chairman announced that the motion was sustained.

The Committee of the Whole then, at 11:55 a. m. o'clock, recessed subject to the call of the chairman.

Supplement to SENATE JOURNAL

Forty-third Legislature—First Called Session.

AUSTIN, TEXAS, FRIDAY, OCTOBER 13, 1933.

NOTARIES PUBLIC

NOTARIES PUBLIC.

The Secretary of the Senate reported to the Journal Clerk that the following nominations of the Governor to be Notaries Public in and for the various counties for the term beginning June 1, 1933, and ending June 1, 1935, had been confirmed by the Senate in Executive Session:

**FOR THE FULL TERM BEGIN-
NING JUNE 1, 1933, AND
ENDING JUNE 1, 1935.
FIRST DISTRICT.**

Bowie County.

Perry, Joseph W. Hooks
Richardson, J. Melvin Texarkana
Heath, B. B. New Boston
Lynch, W. H. Texarkana

Titus County.

Lunsford, G. C. Mt. Pleasant
Mitchell, A. S. Mt. Pleasant
Mitchell, Ruth Mt. Pleasant
Sexton, R. E. Mt. Pleasant
McDonald, D. L. Mt. Pleasant

Cass County.

Barker, N. N. Linden
Jaynes, Clarie Kildare
Oliver, A. C. Douglasville
Carpenter, B. L. Linden
Daugherty, W. S. Linden
Granberry, W. G. Bloomburg
Jones, Jack Bivens
Pruitt, V. S. Kildare

SECOND DISTRICT.

Gregg County.

Boyett, Clair R. Longview
Brinkerhoff, A. D. Longview

Buckley, John T. Longview
Byers, Melba Longview
Cooper, Neil R. Gladewater
Dunbar, Virginia Longview
Dunbar, Wendell Longview
Durbin, C. P. Greggton
Evans, E. R. Kilgore
Fletcher, J. J., Jr. Greggton
Gordon, Howard S. Gladewater
Higgins, C. H. Gladewater
Hollis, J. Ray Longview
Keating, G. S. Longview
Lindsey, Madge Longview
Lovett, Myrtle Longview
Martin, Fannie Mae Kilgore
Niblett, Wills Mae Longview
Niblett, Miss W. M. Longview
Parkins, Paul E. Longview
Phillips, Daphne Gladewater
Phillips, Nolan C. Longview
Porter, John Longview
Reeves, M. O. Longview
Salmon, B. M. Longview
Sawyer, R. B., Jr. Longview
Standlee, D. D. Longview
Seale, B. E. Longview
Vernon, A. Longview
Welch, Ellene Longview
Wilkins, G. W. Gladewater
Wood, R. V. Longview
Zoller, G. F. Kilgore
Ivie, W. H. Longview
Brooks, D. M. Longview
Burham, Edythe Kilgore
Connally, Mary C. Longview
Hall, Clyde H. Longview
Inglefield, M. K. Longview
James, Mrs. Elizabeth Longview
Martin, Irene Longview
Martin, E. A. Longview
McMillan, Guy E. Gladewater
Parks, M. S. Longview
Pierce, Jo Dell Kilgore
Pierce, Tennie Longview
Shoffner, Dorothy Longview

Wade, Elizabeth	Longview
Welsh, Ellene	Longview
Whitley, G. B.	Longview
Zink, C. M.	Longview
Connely, Mary D.	Longview
Featherstone, P. P.	Longview
Holden Bonnie V.	Kilgore
Newman, Joe	Longview
O'Quinn, C. F.	Longview
Paul, Evelyn	Longview
Shaffer, R. G.	Gladewater
Unruh, R. U.	Longview
Pierce, Bessie L.	Kilgore
Eiland, R. L.	Longview
Backloupe, E. J.	Longview
Duggan, C. J.	Kilgore
Keenan, Mrs. Gilbertine	Longview
Lawrence, W. P.	Greggton
Maledon, Ethel L.	Longview
McKay, George	Longview
Nelson, Mann	Longview
Walton, W. D.	Longview
Williams, Mrs. G. 'EuJuania	Kilgore
Barber, Jennie	Kilgore
Bass, Gilbert	Longview
Brown, Sally	Longview
Dufilho, L. E.	Longview
Frazer, Thomas E.	Longview
Hausam, Okla	Longview
Herndon, P. M., Jr.	Longview
Love, E. L.	Longview
Lucas, Alma Lena	Longview
Magee, Bina	Longview
Morgan, V. M.	Longview
P'Poole, W. C.	Longview
Van Hooser, Doll	Longview
Whitaker, Wm. H.	Kilgore
Williams, Ben	Longview
Ford, W. F.	Marshall

Harrison County.

Mattbene, Jack	Hallsville
Warren, Grace	Marshall
Calloway, H. L.	Marshall
Craig, J. M.	Marshall
O'Conner, Genevieve	Marshall
Poorter, Mrs. Carrie Mae	Marshall
Pound, A. Marvin	Marshall
Williams, Lucille	Marshall
Faust, Mildred	Marshall
Chastain, Helen	Marshall
Boyd, Mrs. Annie Mai	Marshall
Boyd, Mrs. Annie Mae	Marshall

Panola County.

Frazer, Grace Anne	Carthage
Baker, Vallie M.	Carthage
Rogers, E. T.	Carthage
Ross, J. R.	Carthage

Shelby County.

Bridges, Zed	Center
Boatner, Annie Beth	Timpson

Boatner, James P.	Timpson
Crawford, Mrs. E. W.	Timpson
Short, F. C.	Center
Lemons, Vera	Center
Thompson, H. A.	Center
Jones, Thomas	Center
O'Brien, Chas.	Joaquin
Rudd, W. B.	Center
Rudd, W. B.	Center
Wilburn, Ellis D.	Center

Rusk County.

Armstrong, Carl	Henderson
Bowen, R. T.	Overton
Freeman, Annie Lee	Henderson
Guidry, Kitty	Henderson
Jones, George	Henderson
Milam, Hilda	Overton
Savage, Rowland	Overton
Bolton, Louise	Henderson
Buse, J. E.	Henderson
Milam, Hilda	Overton
Rush, H. E.	Overton
Sessums, Ernest A.	Overton
Swope, Velma	Henderson
Wright, P. C.	Henderson
Arnold, Walter	Henderson
Ashby, M. V.	Henderson
Pierce, Bessie L.	Henderson
Cochran, Cora	Henderson
Gillespie, J. W.	Henderson
Hurt, C. C.	Overton
McCarty, T. N.	Henderson
Ashby, John M.	Henderson
Dunklin, M. F.	Henderson
Fulton, Dorothy	Overton
Gothard, Connie	Henderson
Hampton, N. B.	Overton
Norman, T. A.	Overton
Rutherford, J. P., Jr.	Overton
Wood, Richard E.	Henderson

THIRD DISTRICT.**Angelina County.**

Wallace, C. H.	Lufkin
Low, G. S.	Lufkin
Laird, John W.	Lufkin
Coleman, Tom F.	Lufkin
Murray, Miss Sally	Lufkin
Dunn, T. L.	Lufkin
Nail, L. R.	Lufkin
Rolston, H. R.	Lufkin

Cherokee County.

Whitaker, J. A.	Jacksonville
Egbert, E. E.	Rusk
Tosh, Maude F.	Rusk
Rea, H. D.	Jacksonville
Sanderson, Miss Virginia	Mt. Selman
Bailey, D. Royce	Jacksonville
Dickerson, D. R.	Jacksonville

Wood, Hall Henderson
 Rix, Sam Jacksonville
 Gray, J. F. Rusk

Jasper County.

Blackshear, A. T. Jasper
 Ellison, J. E., Jr. Jasper
 Glenn, R. S. Jasper
 Hargrove, Herbert Buna
 Pendergast, O. P. Jasper
 Cooper, L. C. Kirbyville

Nacogdoches County.

Davidson, L. B. Nacogdoches
 Castleberry, B. C. Nacogdoches
 Houston, F. D. Nacogdoches
 Hodges, Judge C. A. Nacogdoches
 Muller, J. H. Nacogdoches
 Huston, F. D. Nacogdoches
 Warren, Rufus Nacogdoches
 Dorsey, J. A. Garrison

Newton County.

Wingate, R. E. Newton

San Augustine County.

Mason, I. E. San Augustine

Sabine County.

Richardson, A. D. Bronson

Tyler County.

Mooney, J. A. Woodville
 Kirkley, M. G. Woodville

FOURTH DISTRICT.**Jefferson County.**

Dickens, E. N. Beaumont
 Boyls, Fannie Beaumont
 Graham, C. J. Beaumont
 Gaddy, Mrs. M. B. Beaumont
 McSwain, E. B. Port Arthur
 Venable, E. M. Beaumont
 Webb, Jewel Beaumont
 Harrison, L. B. Beaumont
 McKnight, J. L. Port Arthur
 Autrey, Bobbye Beaumont
 Safley, J. C. Beaumont
 Bennett, Myrtle Beaumont
 George, Juliet Port Arthur
 Grossman, A. Beaumont
 Timpany, John R. Beaumont
 Simmons, N. A. Beaumont
 Melton, Ethel Lee Beaumont
 Barnacastle, A. H. Beaumont
 Chandler, Floye Beaumont
 Hall, C. G. Port Arthur
 Larcomb, Louise Beaumont
 Oborski, R. E. Beaumont

Sheffield, F. M. Beaumont
 Ross, W. C. Beaumont
 Ross, W. C., Jr. Beaumont
 Hilliard, Cecil O. Beaumont
 Nelson, Cecilia Beaumont
 Reedburg, John C. Beaumont
 Ross, M. C., Jr. Beaumont
 Stroud, Joe R. Port Arthur
 Taylor, Genevieve Beaumont
 Stephenson, M. Port Arthur
 Trotti, Frances Port Arthur
 Rogers, E. N. Port Arthur
 Lindsay, H. B. Beaumont
 Booth, Merle Beaumont
 Booth, Mrs. Merle Beaumont
 McDaniel, T. W. Beaumont

Hardin County.

Hooks, E. O. Kountze
 Parker, James F. Kountze
 Walker, R. G. Kountze
 Walker, R. G. Kountze
 Fountain, J. O. Kountze

Liberty County.

Fuller, E. C. Liberty
 Ross, Jno. G. Cleveland
 Smith, C. E. Liberty
 Johnson, Mrs. Louis Liberty
 McCall, O. R. Liberty
 Mearns, W. O. Liberty
 Schelling, H. F. Liberty
 Wait, Mrs. Harold Liberty
 Meekins, Ruth Cleveland
 Woods, Effie Liberty

Orange County.

James, C. A. Orange
 Wohlford, James L. Orange

FIFTH DISTRICT.**Houston County.**

Burton, A. B., Jr. Crockett
 Arledge, D. F. Crockett
 Latham, Miss Marrie Crockett
 Gunter, Mrs. Jany Crockett
 Daniels, Ike Crockett
 Lemay, H. A. Crockett
 Dailey, R. S. Crockett
 Rials, O. M. Grapeland
 Hill, Miss Myrtle Maybell Grapeland
 Walling, Otto E. Grapeland
 Dutch, S. W. Grapeland
 Lovell, S. S. Weches
 Halyard, Sam Crockett
 Burton, Dan Crockett
 Halyard, George Crockett
 Ellis, Ralph Crockett
 Morgan, T. A. Kennard
 Phillips, A. W. Crockett

Stanton, J. B.	Crockett	Rankin, Emma	Jewett
Butler, Mrs. Eula	Crockett	Hale, T. F.	Oakwood
Daniels, Albert K.	Crockett	Leathers, Joel F.	Middleton
Frisby, Ben A.	Grapeland	Wedemeyer, J. A.	Buffalo
Dutch, C. B.	Grapeland	Evans, Clair	Oakwood
Murchison, George M.	Grapeland	Smiley, M. E.	Centerville
Caskey, A. L.	Grapeland	Blanchard, Mrs. Lucy M.	Oakwood
Owens, Jno. R.	Grapeland	Hunt, W. O.	Oakwood
Moran, M. M.	Crockett	Coleman, Sam H.	Centerville
Newman, W. B.	Augusta	Teamer, Mrs. John Jr.	Centerville
Dennis, O.	Percilla	Clary, Ena	Buffalo
Sullivan, C. N.	Grapeland		
Brimberry, Bert	Grapeland		
Davis, O. W.	Grapeland		
Sheridan, J. M.	Grapeland		
Moore, E. E.	Crockett		
Hill, Sue	Crockett		
Collins, J. P.	Crockett		
Daniels, A. K.	Crockett		
Arledge, D. F.	Crockett		
Shivers, J. F.	Crockett		
Allee, R. L.	Crockett		
Robbins, J. D.	Crockett		
Parker, L. A.	Crockett		
Parker, R. E.	Crockett		
Hale, R. E.	Crockett		
Monk, J. G.	Crockett		
McLean, Harry A.	Crockett		
Burton, A. B., Jr.	Crockett		
Patton, Hugh L.	Crockett		
Bowles, C. E.	Crockett		
Guinn, Mrs. Lucy D.	Crockett		
Ellis, J. M.	Crockett		
Ellis, Bennie	Crockett		
Kelly, Eugene C.	Crockett		
Clements, N. W.	Crockett		
Box, N. S.	Crockett		
Young, H. G.	Crockett		
Richards, Tom	Grapeland		
Dorsey, W. G., Jr.	Grapeland		
Robinson, Mrs. G. R.	Crockett		

Leon County.

Coleman, Sam H.	Centerville
Stell, Maggie Dee	Centerville
Thomason, Nell	Centerville
Johnston, Marie	Centerville
Reed, Mary J.	Centerville
Floyd, Madie	Centerville
Dezelle, Jas. Y.	Centerville
Ford, Sam C.	Normangee
Holloway, Bonnie	Oakwood
Hailey, H. W.	Jewett
Bain, V. L.	Centerville
McBrayne, M. C.	Keechi
Robinson, R. S.	Newby
Johnson, Jerry	Centerville
Bain, R. N.	Centerville
Evans, Clair	Oakwood
Morgan, Marvin	Oakwood
Smylie, M. E.	Centerville
Rose, R. J.	Oakwood
Proctor, A. B.	Oakwood

Polk County.

Coleman, Miss Allene	Livingston
Galloway, Lewis	Leggett

Trinity County.

Roach, Miss Arminta	Apple Springs
Womack, R. E.	Apple Springs
Brannen, L. B.	Trinity
Redd, E. T.	Groveton

Walker County.

Guebert, W. E.	Huntsville
King, J. Robert, Jr.	Huntsville
Odom, Kent	Huntsville
McGuire, F. M.	Huntsville

Grimes County.

McGee, M. E.	Navasota
Leigh, Weaver P.	Navasota
Zinberg, Mrs. Grace L.	Navasota
Leigh, Wever L. P.	Navasota

Montgomery County.

Grimes, Carl	Conroe
Pecot, Maxine	Conroe
McCall, Judge S. A.	Conroe
Saunders, D. F.	Conroe
Brigham, J. A.	Conroe

San Jacinto County.

Browder, Jim D.	Cold Springs
Poe, W. J.	Cold Springs
Clark, J. B.	Cold Springs
Crane, Mrs. James M.	San Jacinto
Waldrip, Charlsie	Cold Springs
McDermott, Katharine	Cold Springs
Fuller, F. O.	Cold Springs
Hoskins, T. O.	Shepherd

Madison County.

Anderson, E. H.	Madisonville
McCorquodale, J. O.	Midway
McLaran, L. P.	Madisonville
Viser, Carroll E.	Madisonville

SIXTH DISTRICT.**Freestone County.**

Powell, Margaret	Oakwood
Steward, C. B.	Streetman

LeMoir, A. E.	Fairfield	Lewis, T. W.	Elkhart
LeMoir, A. L.	Fairfield	Lively, A. K.	Elkhart
Bay, Mrs. H. F.	Teague	Lively, Alda	Elkhart
Alderman, John O.	Fairfield	Dickerson, W. H.	Palestine
Alderman, John, Jr.	Fairfield	Moore, R. Homer	Frankston
Buckley, John T.	Fairfield	Lincoln, James B.	Palestine
Bond, Bowlen	Fairfield	Rawley, J. W.	Palestine
Eppes, Jack	Donie	Harding, Laurenda W.	Palestine
Daniels, G. L.	Teague	Reynolds, G. A.	Palestine
Nesbett, Tom	Fairfield	Riddlesperger, H. C.	Malakoff
Jones, Leslie	Oakwood	Black, W. H., Jr.	Palestine
Chancy, Roy	Fairfield	Kolstad, Sarah	Palestine
Anderson, Grayson	Fairfield	Greer, J. G.	Palestine
Killough, Rose	Fairfield	Schnorr, C. E.	Palestine
Ward, S. B.	Teague	Black, George M.	Palestine
Lott, W. J.	Fairfield	Burnett, Harry A.	Palestine
Fryer, G. W.	Fairfield	Groves, Howard	Palestine
Glazener, J. L.	Fairfield	LaBarge, Mrs. Agnes	Palestine
Nesbitt, Tom	Fairfield	Davenport, Henry S., Jr.	Palestine
LeNoir, A. L.	Fairfield	Herrington, L. O.	Palestine
		Herrington, A. L.	Palestine
		Bonner, T. H.	Palestine

Henderson County.

Dunn, John	Chandler	McDonald, Johnie Belle	Palestine
Mitchell, S. W., Jr.	Athens	Barton, R. E.	Malakoff
Dickerson, W. H.	Athens	Coker, Virgie Marie	Palestine
Johnson, Mrs. Loyette	Athens	Dougherty, T. Brook	Palestine
Bennett, Carl	Athens	Houston, J. D.	Elkhart
Mitcham, J. L.		Jordan, W. B.	Palestine
House of Representatives, Austin		Oxford, Elizabeth	Elkhart
Fulgham, Ivy	Brownsboro	McDonald, E. Pace	Palestine
Wright, Chester C.	Kemp	McDonald, Mrs. E. Pace	Palestine
Smith, Miles B.	Athens	Taylor, S. A.	Palestine
Faulk, Robert C.	Athens	Colley, H. L.	Palestine
Cooley, Georgia Harris	Athens	Browne, Walter	Palestine
Fulgham, L. N.	Brownsboro	Clark, G. A.	Palestine
		Collier, S. E.	Palestine
		Daly, John D.	Palestine
		McDonald, Mrs. Margueritte	Palestine

Anderson County.

Barnes, P. K.	Palestine	Camp, Annie Mae	Palestine
Strong, Cora E.	Slocum	Cook, L. G.	Palestine
Falvey, C. W.	Palestine	Holcomb, Mae	Frankston
Keating, G. S.	Palestine	Phillips, W. E.	Malakoff
Penick, E. C., Jr.	Palestine	Wilkinson, J. C.	Palestine
Burnett, H. A.	Palestine	McKinnon, W. A.	Palestine
Procter, C. W.	Palestine	Godley, A. G.	Palestine
Davenport, Henry S., Jr.	Palestine	Lemond, J. H.	Palestine
Biggs, Lettie	Palestine	Selman, Mrs. Kathleen	Palestine
Crane, Chas. J.	Palestine	Harding, Mrs. Hollice J.	Palestine
Burkitt, Geo. W.	Palestine	Walker, Maureen	Palestine
Hearne, John R.	Palestine	Becton, Mrs. K.	Palestine
Davis, Lottie Mae	Palestine	Broughton, Wyoma	Palestine
Naylor, Elizabeth	Palestine	McCaffrey, J. W.	Palestine
Daly, Anna Mae	Palestine	Moss, John L.	Frankston
South, S. E.	Palestine	Box, Mrs. Jewel	Palestine
Eppner, Ruth B.	Palestine	Jones, C. E.	Salmon
Black, W. H.	Palestine	Mead, Katherine L.	Palestine
Alford, J. E.	Elkhart	Bradford, Florence	Palestine
Lawrence, Cecil R.	Elkhart	Reeves, M. O.	Palestine
Woodard, T. V.	Elkhart	Loper, Robert	Malakoff
Woodard, C. B.	Elkhart	Wilkinson, J. C.	Palestine
Hogan, J. E.	Elkhart	Walton, D. S.	Palestine
Temple, A. G.	Palestine	Sisson, Myrtle	Palestine
McCracken, Ouida	Elkhart		

Navarro County.

Coley, Mrs. Blanche	Frost
Houston, M. Helen	Corsicana
Jacobs, J. C.	Corsicana
Reese, R. R.	Corsicana
Simms, L. Kate	Frost
Leddy, C. A., Jr.	Corsicana
Houston, Marion Helen	Corsicana
Houston, Marion	Corsicana

Kaufman County.

Bond, Jack P.	Terrell
Crisp, G. O.	Kaufman
Ewing, Ralph	Terrell
Hooks, W. B.	Terrell
Faulkner, R. M.	Kaufman

Leon County.

Evans, Clair	Oakwood
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Polk County.

Liem, W. H.	Livingston
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SEVENTH DISTRICT.**Smith County.**

Gentry, Geraldine	Tyler
Hamman, George	Mineola
Sloan, I. L.	Tyler
Beaver, J. W., Jr.	Arp
Hubbard, O. L.	Tyler
Pope, Miss Lowell E.	Tyler
Johnson, Grace	Tyler
Anderson, Lynne	Tyler
Rieck, George R.	Tyler
Bailey, Jewyl	Tyler
Butler, L. A.	Winona
Demmer, E. J.	Tyler
Prater, C. A.	Tyler
Shank, C.	Winona
Smith, E. R.	Tyler
Thompson, J. Howard	Arp
Toler, Harris	Tyler
Calkins, Exa	Tyler
Jennings, Beulah	Arp
Reasoner, J. O.	Tyler
Tatum, Miss Claudia C.	Tyler

Upshur County.

Bryce, Naomi	Gilmer
Crouch, Mrs. Mary C.	Gilmer
Collier, P. S.	Gilmer
Reeves, M. H.	Bettie
Steele, J. M.	Gilmer

Wood County.

Hartsfield, J. L.	Mineola
Brown, L. D.	Quitman
Dandy, Jim	Quitman
Harris, E. V.	Winnsboro

Russell, Jim	Mineola
Wright, J. C.	Quitman
Scott, J. G.	Mineola
Dear, Nancy Elizabeth	Mineola
Roberts, Don	Mineola
Roberts, K. P.	Mineola
Steed, Frank	Winnsboro
Bogan, Gus T.	Mineola
Chadick, Terrell C.	Winnsboro
Donahue, G. M.	Mineola
Goldsmith, C. O.	Quitman
Goldsmith, Burie	Quitman
Green, C. A.	Quitman
Hart, L. B.	Quitman
Hart, Thomas C.	Quitman
Horton, Mrs. L. A.	Quitman
Jones, R. E.	Quitman
Jones, T. D.	Quitman
Peacock, (Gus)	Mineola
Peacock, Roy	Mineola
Smith, Paul D.	Mineola
Wood, Miss Ona	Quitman
Vickers, O. B.	Winnsboro

Van Zandt County.

Martin, Howard L.	Grand Saline
Farrar, B. B.	Canton
Hitt, Carl	Canton

Camp County.

Hopkins, George	Pittsburg
Burgess, Mrs. Vera	Pittsburg

EIGHTH DISTRICT.**Red River County.**

Butcher, Elanor	Clarksville
Edwards, Edward	Clarksville
Brooks, Ben F.	Bagwell
Crain, B. A.	Kiomitia
Heath, W. M.	Clarksville
Butcher, Eleanor	Clarksville
Devinney, W. T.	Clarksville

Delta County.

Allison, W. J.	Ben Franklin
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Hopkins County.

Hunt, J. W., Jr.	Sulphur Springs
Stewart, Clovis	Sulphur Springs
Johnson, T. A.	Sulphur Springs

Lamar County.

Granberry, S. J.	Paris
Aiken, A. M.	Paris
Phillips, Levi B.	Pattonville
Myers, Elisha	Paris
Billingsley, Everett	Paris
Jeffus, Cathryn	Paris
Kennedy, Wayne	Paris

NINTH DISTRICT.**Cooke County.**

Head, R. B., Jr. Gainesville
McKissack, G. R. Gainesville

Fannin County.

Newell, Miss Margaret Bonham
Richey, T. A. Bonham
Spivy, Miss Ann Bonham
Horton, Ruby Bonham
Glendinning, A. A. Bonham

Grayson County.

Wagner, Miss Grace Louise Denison
George, Cannon Howe
Vestal, A. T. Sherman
Allmon, Miss Mary Sherman
Pankey, W. F. Sherman
Wallace, H. M. Gunter
Harrison, J. T. Gunter
West, Justin Bells
Handy, Miss Lillian Denison
Lenderman, Miss Aubrey V. Denison
Pierce, J. E. Sherman
Cook, Miss Kathryn Sherman
Cummins, Bertha Mae Tioga
Van Zandt, Beatrice M. Tioga
Epps, W. L. Sherman
Hurt, S. J. Sherman
Darsey, Paul B. Sherman
Harrison, Joe T. Gunter
Smylie, M. E. Centerville

TENTH DISTRICT.**Collin County.**

Smith, W. D., Jr. McKinney
Marcon, B. A. McKinney
Lewis, Cling M. McKinney
Honaker, James Patton Farmersville
Moulden, H. Burt. McKinney
Baldwin, E. G. McKinney
Perry, Kent C. Farmersville
Perry, Mrs. Alma Farmersville
Hornaker, John D. Farmersville

Rains County.

Sybert, Earl Alba
Hill, Tom W. Emory
Tarbutton, Arthur Emory

Hunt County.

Lyles, W. W. Wolfe City
Lyles, Edna Wolfe City
Lytle, W. L. Greenville
Dickey, O. D. Greenville
Bush, W. H. Greenville
Hemsell, D. L. Greenville

Holmes, A. R. Greenville
Mangum, E. P. Greenville
Decker, Herbert Greenville
Huff, M. A. Floyd

ELEVENTH DISTRICT.**Dallas County.**

Post office address is Dallas unless otherwise indicated.

Adamcik, Edna Earle
..... 5203 Richard Ave.
Allen, Russell care Harrell
& Adams, Republic Bank Bldg.
Andrews, Francis
..... 4500 Junius Ave.
Austin, Fred L. 902. S. Beacon St.
Ayers, T. R. 3711 Roseland Ave.
Baldwin, W. H. 1305 St. Joseph St.
Barnes, Sidney A.
..... 2907 San Jacinto St.
Barnett, M. A. care E. B.
Bynum, 203 1st Nat'l Bank Bldg.
Batchler, Kathleen care
A. C. Moser & Co., 1111 Martin St.
Bell, Miss Josephine
..... 307 First Nat'l Bank Bldg.
Bennett, Velma
..... 723 Rep. Bank Bldg.
Bishop, Herbert Richardson
Blakey, R. T. 4302 Bowser Ave.
Blank, Ada E. 726 Linz Bldg.
Boren, Ben 5527 Westminster
Bowlin, J. P.
Toledo Scale Co., 1914 Com. St.
Boyd, Clara L. 6218 La Vista Drive
Boykin, E. C. Cotton Exch. Bldg.
Boysen, E. L. 2227 Griffin St.
Bradshaw, Bobbye 2513 S. Ewing
Browder, Bessie A.
..... Southland Life Ins. Co.
Brown, Roy F.
..... care Flippen Prather Realty Co.
Brownlee, Mrs. Rebye care Wyatt
Food Stores, 309 S. Market St.
Bryan, C. W. Lancaster
Buck, C. W. 1435 Harlandale St.
Burns, Sidney A.
..... Stewart Title & Guaranty Co.
Busey, Elizabeth H.
..... 610 Medical Arts Bldg.
Bush, Walter S. Rt. A., Box 203
Bush, Walter S. 2606½ Elm St.
Campbell, Ethyle 2311 Poplar St.
Carden, Miss Ila 325 N. Walton St.
Cardwell, J. M. care
A. C. Moser & Co., 111 Martin St.
Cassel, Ella W. E.
Callahan Const. Co., Kirby Bldg.
Collins, Wilkie 4006 Main St.
Cook, J. T. 2307 Main St.
Corman, Joe 709 Praetorian Bldg.

Covington, James T.	Holloman, Mrs. Gretta
..... 2115 McKinney Ave.	..... care County Auditor's Office
Dailey, Elizabeth..... 2722 Medill St.	Honig, I. A. care Crespi & Co.
Davis, Ola E. 3217 Main St.	Howell, J. C.
Davis, W. V. ....	..... care Texas Bldg. & Loan Co.
..... 905 Cotton Exchange Bldg.	Howell, J. C. 323 Allen Bldg.
Davies, William . . . 2711 Arizona St.	Hurlbut, H. G. 5523 Bonita Ave.
DeFair, Miss Beatrice	Irion, Everett . . . 1224 S. Brighton
..... 410 Fidelity Bldg.	Jack, John C. care Postoffice
DeLee, C. P.	Jacob, Margaret 2857 Lee St.
..... 304-5 North Texas Bldg.	Jenkins, R. F. M.
Dorsa, Geo. J. 6150 Palo Pinto St.	..... 229 N. Marlborough
Dulaney, Miss Elizabeth	Johannes, J. L. 2335 Kirby St.
..... 307 First National Bank Bldg.	Johnson, P. B. 432 W. Brooklyn St.
Dudley, W. R., Jr.	Johnson, S. N. care Buick Motor Co.
..... 701 Fidelity Union Bldg.	Johnson, S. N. Mercantile Bk. Bldg.
Duff, Frank H. . . . 921 Santa Fe Bldg.	Jones, Mrs. Dorothy L.
Duvall, Miss Maude E. ....	..... 1111 Haines St.
..... 3414 Dickason St.	Jones, Florence D.
Earthman, Eldon . . . 2307 Main St.	..... 2115 Tower Petroleum Bldg.
Estes, Roy E. . . . 410 Old Courthouse	Jones, Morgan C.
Farmer, Miss Bonnie Ruth	..... 3101 Faimount Ave.
..... 1003 Mercantile Bldg.	Kendall, Peter L. 6211 Llano
Fiedler, A. E. . . . 800 Commerce St.	Kerfoot, C. A. 4523 W. Jefferson
Fitzgerald, Geraldine care Frank	Kilgore, James A.
Holaday, Gulf States Life Bldg.	..... 307 First Nat'l Bank Bldg.
Fredeman, M. I. . . . 800 Commerce St.	Landman, Bonner R.
Fulerton, Etta C. ....	..... 704 Central Bank Bldg.
..... 501 S. Clinton Ave.	Leverton, Treva P.
Gandy, Alta 401 Allen Bldg.	Lone Star Gas Co., 1915 Wood St.
Gandy, Mrs. Alta . . .	Lindsay, W. R. 4th Fl. Records Bldg.
..... 1001 Insurance Bldg.	Lintner, George . . . 224 Allen Bldg.
Gardner, Virginia care Crespi & Co.	Loos, Matilda . . . 4101 Commerce St.
Garrett, Thos. L.	McClesky, B. E.
..... 601 Mercantile Bldg.	..... 208 Central Bank Bldg.
Gilpin, Miss Iris M.	McCleskey, B. E. 6330 Gaston Ave.
..... 417-19 Fidelity Bldg.	McClelen, J. S.
Gordon, H. E. . . . 524 Wilson Bldg.	..... care Home Owner's Loan Corp.
Gray, Claude . . . care Dallas Coffin Co.	McKee, Drake . . . 704 Central Bk. Bldg.
Grayson, William H.	McLemore, W. E.
Editorial Dept.—Dallas Dispatch	..... care Rose Wilson Co.
Green, Willard . . .	McLemore, W. E. 1915 Maryland St.
..... 704 Central Bank Bldg.	McRoberts, Al Lynn
Gregory, M. E. . . . 202 Allen Bldg.	..... 320 Mercantile Bank Bldg.
Helporn, N. B. . . . 706 Linz Bldg.	McWhirter, R. M.
Haney, Miss Thelma Virginia	..... care Construction Bldg.
..... care Shut-	Machen, Anna Belle
tles Bros. & Lewis, Inc., Ins. Bldg.	..... 301 Tower Petroleum Bldg.
Hanlon, Loraine. 3800 Commerce St.	Mallard, R. B. 800 Commerce St.
Harber, Miss Elizabeth	Mason, Clara B. 805 Thomas Bldg.
..... care C. I. Rein-	Mathias, Jno. M. 1832 Allen Bldg.
hardt & Son, 1st Nat'l Bank Bldg.	Miller, Mabel C. 825 N. Marsalis St.
Harrell, W. B. . . . Republic Bank Bldg.	Miller, W. M., Jr. 616 Blaylock St.
Harris, J. Wallace	Miller, W. M., Jr.
..... 708 Central Bank Bldg.	..... care Rose Wilson Co.
Henderson, Boris. 5610 Richard Ave.	Moore, D. H. 2107 North Harwood
Henderson, Miss Doris 2814 Main St.	Moore, Gayle. Farmers Branch
Hexamer, Elsie. 1107 Santa Fe Bldg.	Moore, Miss Margaret care Mann
Higgs, A. M.	& Mann, Tower Petroleum Bldg.
..... care Fairbanks Morse Co.	Morris, Joseph B.
Hill, Wm. Madden. ....	..... care Andrew Priest, Kirby Bldg.
..... 1023 Republic Bank Bldg.	Morris, Racheal. Dallas
	Construction Co., 805 Trunk Ave.

Morton, D. M.	Lancaster	Spillars, E. D.	Box 2314
Moser, A. C., Jr.	111 Martin St.	Starks, Genevieve T.	
Murname, T. J.	4020 Gilbert St.		Fidelity Union Bldg.
Mut, F. W.		Stenmons, L. G.	
	1409 Cotton Exchange Bldg.		S. W. Land & Loan Co.
Naylor, G. T.		Stephenson, Verna	
	1103 Cotton Exchange Bldg.		201 N. Winnetka Ave.
Naylor, G. T.	P. O. Box 1490	Swalwell, C. E.	
Neal, Mrs. Lois W.			care Doc Jacksons Garage
	care Home Owner's Loan Corp.	Taylor, Miss Ruth	410 Fidelity Bldg.
Nelson, Jewell	care Baker Hotel	Thomas, W. G.	care United
Newcomer, Fred E.	care No. Texas		Gas Public Service, P. O. Box 719
	Materials Co., 1108 Santa Fe Bldg.	Van devender, Mrs. Maud	
Nivens, Audrey			care Walter Hill & Co.
	care A. J. Rife Con-	Van Devender, Maud	
	struction Co., 1913 N. Harwood St.		Wholesale Merchants Bldg.
Parkinson, Pat	City Hall	Vandergriff, W. T.	Carrollton
Peck, Lillian M.		Waldrop, Edith	
	care East Texas Sand		1404 First Nat'l Bank Bldg.
	& Gravel Co., 1107 Santa Fe Bldg.	Walls, Willard B.	3210 Jerome St.
Petty, R. L.	417 So. Clinton St.	Warren, Miss Wilda	1301 Main St.
Pickard, Chas. H.	2825 Williams St.	Weaver, Marie	623 Adair St.
Pitts, Floyd B.		Welborn, John L.	4516 Rose Ave.
	6210 Bryan Parkway	Whisnand, John	Lancaster
Pitts, Roy E.		White, Mrs. Lorena	2016 Jackson St.
	Lone Star Gas Co., 1915 Wood St.	Wier, C. V.	4602 Maple Ave.
Porter, Thomas Abner		Williams, Gladys W.	
	2706 McKinney Ave.		403 Tower Petroleum Bldg.
Potts, J. L.	2104 Canton St.	Williams, Mrs. Rhoda	
Pratt, R. T.	care Edward D.		616 Medical Arts Bldg.
	Davenport, 307 1st Nat'l Bk. Bldg.	Woodward, Mrs. Christine H.	
Priest, Mrs. M. M.			care Home Owner's Loan Corp.
	3423 Gibsondell St.	Wright, A. R.	1209 Santa Fe Bldg.
Race, Tom	3544 University Blvd.	Wright, A. R.	402 Central Bk. Bldg.
Read, Miss Ina	1214 Magnolia Bldg.	Simmons, Clara B.	Dallas
Revenaugh, Mrs Celeste	care Har-	McMillian, Francis	Dallas
	rell & Adams, Republic Bank Bldg.	Higgs, A. M.	Dallas
Roach, J. D.	Clem Lumber Co.	Blank, Ida E.	Dallas
Robertson, Huling P.		Born, Edith Wilmans	Dallas
	410 Fidelity Bldg.	Dudley, W. R.	Dallas
Robins, H. H.	care A. C. Prender-	Gray, Claude C.	Dallas
	gast & Co., Republic Bank Bldg.	Hall, Flora B.	222 Merc. Bk. Bldg.
Rogers, Russell V., Jr.		Arthur, C. W.	5436 Grand Ave.
	Republic Bank Bldg.	Aven, Juanita	care Mahan, Ditt-
Rhode, Mrs. Stella	Grand Prairie		mar & Co., Dallas Bk. & Tr. Bldg.
Roney, J. G.		Barnes, Luther	Lancaster
	1003 Texas & Pacific Bldg.	Bankhead, Miss Billie	
Scruggs, S. C., Jr.	2817 Williams St.		503 N. St. Paul St.
Seaton, M. F.		Barton, Don	
	1301 Republic Nat'l Bank Bldg.		3rd Fl. Continental Bldg.
Sessions, Tom L.	701 Linz Bldg.	Baker, Netalie	
Simmons, H. B.			1404 First Nat'l Bank Bldg.
	care Reinhardt & Son	Blankenship, D. A.	
Simmons, Henry B., Sr.			1807 Tower Petroleum Bldg.
	3207 Knox St.	Bean, J. O.	433 S. Westmoreland
Slosa, Varina J.	3921 Gaston Ave.	Bell, Eldon Lee	1910 Commerce
Smith, Dora M.		Brucks, Miss Stella	
	208 Central Bank Bldg.		5107 Columbia Ave.
Smith, Henry		Burton, Shannon	
	1415 First Nat'l Bank Bldg.		619 N. Winnetka St.
Smith, Sydney	2430 Swiss Ave.	Capehart, M. L.	
Sorrels, Ida	602-4 Elsbeth St.		2324 W. Brooklyn St.
Sparkman, A.	care Clem Lbr. Co.	Carmichael, J. Bryan	Fidelity Bldg.

Cochran, Sam P. 1821 Young St.
 Coe, F. L. Dallas
 Collins, Wilkie 4446 Abbott St.
 Coffee, Elizabeth Dallas
 Daily, Elizabeth Dallas
 Degen, Miss Leola 129 W. Ninth St.
 Decker, Jane 815 Tower Pet. Bldg.
 Doss, Paul T. Fidelity Bldg.
 Dunagan, Jack C. 805 Wayne St.
 Ellington, W. A. Dallas
 Fenville, W. P. care T. W. Davidson, 15th Fl. Praetorian Bldg.
 Fowler, T. H. 819 N. Windemere
 Fulwiler, Maurine care
 Houghton, Inc., Gulf State Bldg.
 Guyer, Norma
 care Baker Hotel, Credit Office
 Hampton, M. H. 2201 Laws St.
 Haney, F. L. Fidelity Bldg.
 Hatcher, W. Gregory Fidelity Bldg.
 Hiebert, Katherine
 1218 First Nat'l Bank Bldg.
 Hinton, T. R. Rt. 6, Dallas
 Howell, J. C. 328 Allen Bldg.
 Hood, D. S. 418 N. Westmoreland
 Hall, Flora B. 222 Mercantile Bldg.
 Jackson, Leslie 811 Kirby Bldg.
 James, W. D. 3601 Colby St.
 Jenkins, J. W. 2633 Main St.
 Lawther, Raymond R.
 care Southwestern Life Bldg.
 Labelle, Aida 624 North Tex. Bldg.
 De Lee, L. P. 317 North Tex. Bldg.
 Leeman, W. G. 317 North Tex. Bldg.
 Lyles, Bessie 108 W. 12th St.
 McBride, Ashley Dallas County
 McGwier, Henry D.
 1319 Commerce Street
 McNeil, Mrs. H. E. Lancaster
 McDougal, H. F. 1904 Grand Ave.
 Madison, T. B. 2319 Hall St.
 Mayfield, B. 316 Denley Drive
 Miller, Elizabeth 511 Linz Bldg.
 Mitchell, Cecil S. 611 N. Pearl St.
 Miller, Mrs. Roy Dallas
 Moore, Gayle Farmers Branch
 Murmane, T. J. Dallas
 Martin, Thelma 5434 Longview St.
 Pace, Tom 3544 University Blvd.
 Priest, A. J. Dallas
 Priest, M. M. Dallas
 Porter, William C. Dallas
 Robbins, A. 215 Melba St.
 Rhode, Stella Dallas
 Roney, J. G. care T. & P. Bldg.
 Russell, Ira J. 706 Wilson Bldg.
 Ridgell, C. R. Kleburg
 Simmons, H. B. 3207 Knox St.
 Sherman, F. H.
 care County Engineer's Office
 Stimson, Earl B. North Texas Bldg.
 Sorrells, Ida Dallas

Schulz, Miss Katherine
 221 West Jefferson St.
 Schulz, Miss Leola
 221 West Jefferson St.
 Tidwell, N. A. Fidelity Bldg.
 Thornton, Eithel
 704 Praetorian Bldg.
 Thompson, W. K.
 611 North Pearl St.
 Voyer, Richard F.
 910 Republic Bank Bldg.
 Wadlington, Miss Rubye
 315 North Winnetka St.
 Webb, Aletha 1627 Kirby Bldg.
 Williams, Guy N.
 4110 McKinney Ave.
 Wilson, Joe 2016 Jackson St.

TWELFTH DISTRICT.

Ellis County.

Brown, C. W. Bardwell
 McCulloch, R. A. Ennis
 Johnson, L. D. Waxahachie
 Timmons, J. H. Waxahachie
 Chapman, B. T. Waxahachie

Hill County.

Cox, L. T. Hillsboro
 Abernethy, J. M. Hillsboro
 Pryor, D. A. Hillsboro
 Chiles, H. E. Itasca
 Burt, Maggie Joe Hillsboro
 Ferguson, J. D. Mt. Calm

Johnson County.

Hook, T. Wesley Alvarado
 Sexton, Mrs. Angie Lue Cleburne
 Joplin, J. T. Cleburne
 Zeigler, J. M. Cleburne

Hood County.

Powell, J. J. Granbury
 Davis, Mrs. Thelma Granbury
 Hopper, J. T., Jr. Granbury

THIRTEENTH DISTRICT.

Limestone County.

Geren, L. L. Groesbeck
 Nolen, J. E. Mexia
 Seay, Lewis M. Groesbeck

McLennan County.

Brown, Shelby Waco
 Jones, W. H. Waco
 Booker, R. T. Waco
 Clarke, Wm. T. Waco
 Dahse, E. H. Waco
 De Ford, Fred L. Waco
 Fadal, J. N. Waco
 Fort, Walter V. Waco

Jeanes, Lincoln D. Waco
 Kleypas, M. Waco
 Lowe, Hortense Mart
 Moran, Cebel Waco
 Cox, Leonard M. Waco
 Nolen, G. F. Waco
 Smith, Carlton J. Waco
 Cobb, T. D. Waco
 McGlasson, John, Jr. Waco
 Hamilton, Tom M. Waco
 Davidson, W. Edgar Waco
 Holder, Edna Waco
 Davis, Zola McGregor
 Laning, Mrs. Agnes Waco
 Muhl, Elizabeth Waco

Milam County.

Christner, J. B. Rockdale
 McClennen, H. B. Cameron
 Morrison, W. A. Cameron
 Perkins, Jim Cameron
 Reaves, J. H. Cameron

Falls County.

McKay, Sparks Marlin
 Bruner, Ben H. Rt. 2, Eddy
 Shore, D. P. Lott
 Shaw, Charlie (Col.) Marlin
 Baganier, James Lott
 Langford, Miss Emogene Marlin
 Reagan, Charles E. Marlin
 Derden, Albert Marlin

FOURTEENTH DISTRICT.**Brazos County.**

Coleman, Mike Bryan
 Lloyd, J. C. Bryan
 Allen, William Bryan
 Butler, Geo. B. Bryan
 Edge, V. B. College Station
 Allen, William Rivers Bryan

Bastrop County.

Brooks, Joe Bastrop
 Watson, J. H. McDade

Burleson County.

Ramsey, J. Z. Caldwell

Lee County.

Davis, I. V. Giddings

Robertson County.

Dyess, Hubert Hearne
 Lawson, Wm. J. Bearnex
 Grace, John R. Franklin
 Oldham, C. S. R. F. D., Franklin
 Anderson, J. H. Calvert

Washington County.

Free, Arthur Brenham
 Hildegard, May Brenham
 Chadwick, E. C. Brenham
 DeWare, C. A. Brenham
 Kramer, Adolph C. Rt. 2, Brenham

FIFTEENTH DISTRICT.**Waller County.**

Betts, Wm. H. Hempstead
 Jackson, Paul S. Hempstead
 McConnell, E. A. Hempstead
 Stinson, L. E. Hempstead
 Wood, Mrs. A. R. Hempstead
 Wander, Max Brookshire

Lavaca County.

Kopecky, Marie Hallettsville

Austin County.

Vicek, Val Bellville
 Pomical, Joe Rt. 2, Brenham

Colorado County.

Brooks, O. J. Columbus
 Mueller, W. T. Eldridge
 Rhodes, M. Oakland
 Rayburn, Mrs. D. L. Columbus
 Hastedt, Lester Columbus
 Hastedt, John, Jr. Columbus
 Hastedt, Clarence Columbus

Fayette County.

Hall, Roy H. Schulenburg
 Pape, Wm. LaGrange
 Meyer, Miss Caroline V. Schulenburg

SIXTEENTH DISTRICT.**Harris County.**

Post office address is Houston unless otherwise indicated.

Atkinson, E. S. 1502 Stuart Ave.
 Binnie, T. P. 309 Heights Blvd.
 Bintliff, David C. 501 Shell Bldg.
 Birath, Elna 2734 Arbuckle St.
 Brady, Mildred
 2001 Esperson Bldg.
 Brauner, Juanita care Robt.
 L. Sonfield, 2nd Nat'l Bk. Bldg.
 Brown, Loyce 1109 San Jacinto St.
 Cezeaux, Melva Humble
 Chapman, Yvonne
 2708 Isabella St.
 Chavez, Willie Ben
 708 Marine Bank Bldg.
 Choat, I. J. 823 1st Nat'l Bk. Bldg.

Cockerham, Mrs. Alma.....	Milligan, Chas. E.
.....10th Fl. Petroleum Bldg.	.....care Campbell R. Over-
Colbury, Doris	street, J. P., Civil Courts Bldg.
.....302 First Nat'l Bank Bldg.	Patrick, Opal .....309½ Fargo
Cole, Robt. L., Jr.	Perkins, James I.
.....Citizens State Bank Bldg.	.....care Home Owners' Loan Corp.
Conner, Eunice.....1201 Com. St.	Presswood, Joe T.
Coultrup, Kate.....2401 Gulf Bldg.	.....2nd Fl. City Hall
Couvillon, Mabel M.	Prosser, Eva W.
.....care	.....825 Esperson Bldg.
.....Villa de Matel, Lawndale Ave.	Ricketts, Mrs. O. R. ....413 Binz Bldg.
Dean, A. S. J. ....901 Shell Bldg.	Robertson, David A.
Douglas, E. K. ....State	.....2023 Shell Bldg.
.....Bond & Mortgage Co., Shell Bldg.	Robinson, Geraldine .....care
Ellison, Mrs. Constance .....	.....Bryan, Cosby, Suhr & Bering,
.....2009 McKinney Avenue	.....22nd Fl. 2nd Nat'l Bank Bldg.
Elting, Leigh .....1203 Crocker St.	Roden, A. M. ....325 West 24th St.
Everett, Lucille M. ....3717 Main St.	Rogers, Wm. S.
Fort, Flossy .....939 Arlington St.	.....2106 Esperson Bldg.
Freidkin, Marvin J. ....Old Post Bldg.	Rupley, Maylee .....810½ Main St.
Fry, Winona P. ....Old Post Bldg.	Sachs, N. L. ....2103 Kane St.
Farber, W. E.	Sanderford, J. R.
.....care Disabled Amer-	.....care Humble Oil & Refining Co.
.....ican Veterans, County Courthouse	Secondyne, L. ....517 West Bldg.
Goolsby, Clara E.	Schaefering, Ethel G.
.....1914 Esperson Bldg.	.....1107 Tulane St.
Greig, Alex G.	Smith, A. B.
.....care Ben Johnston Motor	.....Downtown Chevrolet Co.
.....Co., San Jacinto & McKinney Ave.	Snelling, D. E.
Harveston, Mary K. ....901 Shell Bldg.	.....Downtown Chevrolet Co.
Heflin, R. M. ....Tom Hall	Steele, B. W.
Holloway, R. A. ....	.....care Home Owners' Loan Corp.
.....1109 San Jacinto St.	Steger, Mrs. Mary Louise
Holt, Eula .....	.....1105 Bayland Ave.
.....care Downtown Chevrolet Co.	Stevens, Ted .....3400 Liberty Road
Hudson, Maude A.	Vela, Albert G. ....7443 Avenue J
.....2106 Esperson Bldg.	Vern, Irene .....1661 Marshall St.
Jordan, Gerald E.	Walker, Mrs. A. A.
.....511 Medical Arts Bldg.	.....302 Republic Bldg.
Kemper, Walter R. ....care	Waters, Geo. B.
.....Cole, Cole, Patterson & Kemper	.....care The Houston Press
Kendrick, W. W. ....2505 Hazard St.	Webster, Esther A.
Kohut, Fred P. ....	.....1303 Esperson Bldg.
.....709 State Nat'l Bank Bldg.	Wells, Earle E.
Kuminir, Roslyne .....Crude Oil	.....care Home Owners' Loan Corp.
.....Dept., Shell Petroleum Corporation	Wetterman, Bertha
Lang, Marylu .....Judson Hotel	.....137 Humble Bldg.
Lawrence, Ruth N. ....Old Post Bldg.	Whitehead, James E.
Lawrence, Vance B. ....	.....508 Chronicle Bldg.
.....care Home Owners' Loan Corp.	Williams, Louise S.
Lytton, Mrs. Ruth F. ....	.....2111 Esperson Building
.....care Home Owners' Loan Corp.	Williamson, W. C.
McCartney, Vera L. ....	.....1907 Petroleum Bldg.
.....313 Sterling Bldg.	Bell, Miss T. H. ....2119 Chenevert
McCullough, James L.	Bradshaw, Miss Alice ....2112 Dunlavy
.....2807 Rusk Avenue	Brown, John R.
McCullough, Olletta B. ....	.....635 Cotton Exch. Bldg.
.....1318 Cleveland St.	Childs, Miss Lillie ....505 West Gray
Macon, Miss Laura .....Room 23,	Dorman, E. W.
.....8th Fl. Chamber of Com. Bldg.	.....1017 Chronicle Bldg.
Mathis, Jno. M., Jr. ....Old Post Bldg.	Duncan, E. P.
Middleton, Helen .....P. O. Box 1063	.....2519 Commerce Ave.
Murray, Katy Mae	Frick, Watson S. ....4104 DeGeorge
.....1902 Petroleum Bldg.	

Hanscom, Mrs. Fleta B. _____
 625 Cotton Exch. Bldg.
 Hill, Joe R. _____ 617 Mason Bldg.
 Hennell, Emily B. _____
 care Gulf Production Co.
 House, Miss Ardath H. _____
 806 Esperson Bldg.
 Hurwitz, Harry _____
 2519 Commerce Ave.
 Kolby, Polly M. _____ 1306 Stanford
 Powell, Ardath H. _____ 5328 Darling St.
 Schneider, R. E., Jr. _____
 617 Mason Bldg.
 Schultz, David H. _____
 1017 Chronicle Bldg.
 Tonahill, Mildred A. _____
 1105 Second Nat'l Bank Bldg.
 Williams, Jas. A. _____
 411 Esperson Building
 Witt, Ben J. _____ Tomball
 Beard, Vita. _____ care Dow Motor Co.
 Brent, D. A. _____ 503 Milam Bldg.
 Clifford, F. M. _____ 610 Louisiana St.
 Cody, Ben. _____ care Dow Motor Co.
 Davis, H. L. _____ 722 S. P. Bldg.
 Day, Mrs. Gertrude _____
 1401 Esperson Bldg.
 DeVoss, L. A. _____ Fox Hotel
 Edgar, Miss Vitula. _____ care
 Walter G. Sterling, Sterling Bldg.
 Fisher, B. W. _____
 1622 Cotton Exch. Bldg.
 Gordon, Sol. Z. _____ 1715 W. Main St.
 Housh, Clifford L. _____
 1401 Crawford St.
 Lawrence, Ruth M. _____
 403 Old Post Bldg.
 Massenburg, Lucy _____
 722 So. Pacific Bldg.
 Millar, Ann _____
 2205 Second Nat'l Bank Bldg.
 Nix, W. M. _____ 2403 Terry St.
 Pederson, Loretta _____
 905 W. Alabama Ave.
 Schulz, M. W. _____ 510 Linwood Avenue
 Schumacher, John _____ Scanlan Bldg.
 Scott, Raymond F. _____
 709 Electric Bldg.
 Sharman, B. J. _____
 Chevrolet Motor Co., 2323 Polk
 Smith, Miss Eula Mae _____
 care C. B. Ferguson, Kress Bldg.
 Thomson, A. _____
 care Jack Roach, 501 Broadway
 Vern, Mrs. Irene _____ 609 Francis St.
 Walker, Bernice _____ 2637 Odin Ave.
 Williams, C. O. _____ 2222 Clark St.
 Wright, Miss Irene _____
 care Vinson, Elkins,
 Sweeton & Weems, Esperson Bldg.
 Zellner, Ruth B. _____
 814 LaBranch St., Apt. B-11
 Barrow, Mrs. Brooks _____
 care Criminal District Attorney

Barrow, George T. _____ care
 Harry G. Gwinnup, Esperson Bldg.
 Black, K. K. _____
 care Sears-Roebuck Co.
 Craven, V. M. _____
 care State Highway Dept.
 Emley, C. R. _____
 care Justice Court, Harrisburg
 Emley, C. R. _____
 care Campbell R. Overstreet
 Foulks, Wm. C. _____
 3507 Audubon St.
 Forrest, J. G. _____
 care State Highway Dept.
 Hoopingarner, M. W. _____
 2105 Second Nat'l Bank Bldg.
 House, Jas. H. B. _____ City Hall
 Jarrard, C. G. _____ 3800 Univ. Blvd.
 Little, J. G. _____ 1517 Wash. Ave.
 Lochridge, R. D. _____ 4712 Fagan St.
 Oldham, L. C., Jr. _____ care John-
 ston & Johnson, Esperson Bldg.
 Schaumburg, H. J. _____
 920 Bankers Mort. Bldg.

SEVENTEENTH DISTRICT.

Fort Bend County.

Knight, R. F. _____ Rosenberg
 Stabler, Mrs. M. _____ Sugarland
 Vickerman, J. _____ Sugarland
 Davis, J. A. _____ Rosenberg

Galveston County.

Cone, Florence _____ Galveston
 Erhard, Peter S. _____ Galveston
 Johnson, Jesse J. _____ Galveston
 Macek, Chas. J. _____ Galveston
 Robinson, Maynard F. _____ Dickinson
 Scoggins, J. Scott _____ Galveston
 Watson, Edward W. _____ Galveston
 Baum, Max _____ Galveston
 Loftus, Claude M. _____ Texas City
 Strickland, George B. _____ Galveston
 Scoggins, J. Scott _____ Galveston

Matagorda County.

Thornhill, W. G., Jr. _____ Matagorda
 Jesse, W. F. _____ Markham

Brazoria County.

Fleming, M. B. _____ Angleton
 Hudgins, Erna Lee _____ Velasco
 Pearson, G. W. _____ Alvin

Wharton County.

Kruppa, R. F. _____ El Campo
 West, Mrs. Carrie _____ Wharton
 Carmichael, G. N. _____ East Bernard
 Mikulenska, E. J. _____ El Campo
 Russell, H. J. _____ Wharton
 White, Elliott _____ El Campo

EIGHTEENTH DISTRICT.**Wilson County.**

Wiseman, J. O. LaVernia
 Grief, A. G. LaVernia
 Cameron, Bert Floresville

Jackson County.

Fenner, W. B. Edna
 Robins, Ruby Edna
 Thomas, Dora E. La Ward

San Patricio County.

Hunt, H. A. Sinton
 Potter, C. B. Aransas Pass
 McCollom, J. E. Sinton

Refugio County.

Buckley, Edith Refugio
 Slavik, Frank Refugio

Victoria County.

Onderdonk, G. Nursery
 Marling, O. G. Victoria
 Bettin, I. M. Victoria
 Redies, Mrs. Lena Floyd Victoria

DeWitt County.

Fritsch, Anton Cuero
 Breeden, Bess Cuero

Bee County.

Custer, W. R. Beeville
 Gayle, W. G. Beeville

Live Oak County.

Pugh, W. F. George West

Karnes County.

Puckett, Herbert Karnes City

Atascosa County.

Atkinson, Claude Pleasanton
 Beavers, Mary Lou Jourdanton
 Steinle, Frank W. Jourdanton
 Smith, R. R. Jourdanton
 McDaniel, Ted Pleasanton

NINETEENTH DISTRICT.**Guadalupe County.**

Willmann, R. J. Seguin
 Jones, J. K. Seguin

Gonzales County.

Gibson, Opal D. Gonzales
 Vollentine, J. W. Gonzales

Perkins, Denver E. Gonzales
 Otton, Martin Smiley
 Richard, E. L. Rt. 5, Gonzales

Caldwell County.

Williamson, C. J. Lockhart
 Forister, Ben Lytton Springs

Blanco County.

Jenkins, A. G. Johnson City

Hays County.

Mays, Geo. H. San Marcos

Comal County.

Harnish, Russell New Braunfels
 Wersterfer, Arthur New Braunfels

TWENTIETH DISTRICT.**Llano County.**

Edwards, J. R. Llano
 Gresham, O. F. Llano
 Gresham, O. P. Llano

Travis County.

Cowart, Mary Austin
 Carlson, John W. Austin
 Davisson, G. A. Austin
 Davisson, Clara Lee Austin
 Fiset, Katharine Austin
 Fowler, T. W. Austin
 Graffenried, G. de Austin
 Griffith, Rilla A. Austin
 McCullough, Claud Austin
 Sanderford, Ghent Austin
 Sandstrom, Mabel I. Austin
 Schley, R. H. Austin
 Taylor, Miss Louise Austin
 Beckham, Hazel H. Austin
 Reynolds, P. G. Austin
 Van Dyke, E. M. Austin
 Watson, Ruth E. Austin
 Burt, S. M. Austin
 Bridges, W. H. Austin
 Fowler, T. D. Austin
 Fowler, I. D. Austin
 Fuller, W. H. Austin
 Fuller, Mrs. M. A. B. Austin
 Graham, M. P. Austin
 Harris, June C. Austin
 Hans, Merryan Austin
 Moore, Lila Austin
 McKinney, Herman E. Austin
 Mallett, R. S. Austin
 Rogers, G. O. Austin
 Smith, H. L. Austin
 Wright, Hugh Austin
 Volz, Nelle Austin
 Johns, R. A. Austin
 Johns, Carl Austin

Williams, Felix	Austin	Cantrell, Barney	Temple
Wight, Hugh	Austin	Mitchell, Hazel F.	Belton
Bengston, H. L.	Austin	Johnson, Earl M.	Temple
Brown, Jay H.	Austin	Litteral, Mrs. Florence B.	Belton
Davis, Mitchell	Austin	Shull, Mrs. Hattie	Temple
Hill, Mrs. Mary	Austin	MacGregor, Patricia	Temple
Hinke, L. W.	Austin	McGregor, W. S.	Temple
Palmer, J. Lloyd	Austin	Daniel, J. Shirley	Temple
Rogers, E. E.	Austin		
White, A. L.	Austin		

Hamilton County.

Kennedy, Stelcie	Hamilton
Hibits, J. C.	Hamilton

Bosque County.

Goodall, S. A.	Meridian
Chefry, Robert F.	Clifton
Schow, C. E.	Clifton

Erath County.

Cox, Jess	Stephenville
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TWENTY-SECOND DISTRICT.**Montague County.**

Chapman, Elsie	Bowie
Donald, Paul	Bowie
Donald, J. M.	Bowie
Dunn, C. B.	Bowie

Denton County.

Morris, John	Krum
Canafax, Christine	Denton
Kanady, S. W.	Denton
Myrick, Mrs. J. L.	Denton
Wolfenbarger, E. L.	Sanger
Bates, Gladys	Denton
Gambill, R. B.	Denton
Gambill, Judge	Denton
Baker, C. W.	Denton
Bishop, Ray	Denton
Burnett, J. Q.	Denton
Sims, M. J.	Denton
Whyburn, L. B.	Lewisville

Palo Pinto County.

Yeager, Harry K.	Mineral Wells
Hillis, A. H.	Mineral Wells

Wise County.

Ball, T. L.	Decatur
Renshaw, Holly	Decatur

Jack County.

Perkins, W. A.	Jacksboro
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TWENTY-THIRD DISTRICT.**Wichita County.**

Gerathy, W. P.	Wichita Falls
Sharpe, Mrs. Shella	Wichita Falls

Williams, W. T.	Austin
Williams, W. T., Jr.	Austin
Bengtson, Harry L.	Austin
Brown, J. H.	Austin
Greeves, L. M.	Austin
Harris, Katherine G.	Austin
Whitley, Nona P.	Austin
Wood, Nola C.	Austin
Smith, H. L.	Austin
Miller, Willie May	Austin
Brown, Jay H.	Austin
Carlson, Carl	Austin
Harrison, Henry H.	Austin
Hardin, A. B.	Austin
Marlow, Lucille	Austin
Nussbaum, Frank B.	Austin
Nussbaum, F. B.	Austin
Wight, Hugh	Austin
McKean, A. T.	Austin

Williamson County.

Holubec, H. H.	Taylor
Peterson, Violet	Georgetown
Starnes, J. L.	Georgetown
Towns, Mary L.	Georgetown
Rader, Louise	Georgetown
Price, Miss Katharine	Georgetown
Robbins, J. L.	Taylor
Toland, W. P.	Georgetown

Lampasas County.

Cloud, A. F.	Lampasas
Faubion, Roy	Lampasas

San Saba County.

Chadwick, Dave	San Saba
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Burnet County.

Gay, E. A.	Bertram
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TWENTY-FIRST DISTRICT.**Coryell County.**

Holder, R. M.	Turnersville
Gardner, D. Clyde	Evant
Hancock, S. L.	Gatesville
Alvis, C. E., Jr.	Gatesville

Bell County.

Cole, R. W.	Temple
Moore, Arlie M.	Belton

Purcell, C. A.	Burkburnett
Purcell, Margetta	Burkburnett
Cowart, J. O.	Wichita Falls
Williams, O. C.	Wichita Falls
Holt, Lamont	Wichita Falls
Cushman, Naomi	Wichita Falls
Osborne, Geo. H.	Wichita Falls
Haynes, Lavina	Electra
Eggleston, Holland	Wichita Falls
Ragsdale, R. S.	Burkburnett
Cowden, Mrs. La Nora	Wichita Falls
Garrard, Mrs. Ida Lee	Wichita Falls
Cowart, Willie Augustine	Wichita Falls
Evetts, Pauline	Wichita Falls
White, Mildred C.	Wichita Falls
Lewis, Katie Lee	Wichita Falls
Graham, P. S.	Wichita Falls
Slaughter, L. B.	Wichita Falls
Brown, Marie	Wichita Falls
McGann, Elizabeth	Electra
Spearman, Linnie	Electra
Ragsdale, R. S.	Wichita Falls
Douthit, Ruby	Wichita Falls
Morris, Mary	Wichita Falls
Wilson, Hazel Marie	Wichita Falls

Wilbarger County.

Boone, C. T.	Vernon
Pitts, C. S.	Vernon
Martin, O. C.	Vernon
Plummer, R. O.	Vernon
Rollins, Lawrence	Vernon

Hardeman County.

Underwood, C. W.	Chillicothe
Boothe, H. I.	Chillicothe
Jordan, E. E.	Medicine Mound
Spiller, R. H.	Quanah
Quinby, J. Roy	Chillicothe

Archer County.

Flatt, Horace	Dundee
Farmer, H. C.	Archer City
Kunkel, Turner L.	Megargel
Young, W. C.	Archer City
McNeil, V. M.	Archer City
Kunkel, T. L.	Megargel

Baylor County

Conklin, H. E.	Seymour
Willoughby, John A.	Seymour
Glover, Thos. F.	Seymour

Clay County.

Garrett, O. W.	Henrietta
Younger, J. G.	Henrietta
Brand, A. O.	Prospect

Knox County.

Williams, L. M.	Benjamin
Holland, Robert C.	Benjamin

Young County.

Spradley, Q.	Graham
Perkins, E. R.	Olney

Foard County.

Eubank, Eva	Crowell
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TWENTY-FOURTH DISTRICT.**Mitchell County.**

W. G. Fraser	Colorado City
Watson, Nell	Colorado
Fraser, W. G.	Colorado
Webb, Virginia B.	Colorado
Skinner, W. A.	Colorado

Haskell County.

Foote, Eleanor	Haskell
Ratliff, W. P.	Haskell
Christian, E. C.	Haskell
Hollar, Edd	Haskell

Jones County.

Morgan, Maurine	Anson
Scott, W. W.	Stamford
Morgan, Mauriene	Anson
Vaughn, T. F.	Anson
Lively, Clara	Stamford
Cox, W. W.	Stamford
Lyon, E. H.	Stamford
Risley, W. O.	Anson

Shackelford County.

Best, Hazel	Albany
Howsley, A. M.	Albany
Graham, C. W.	Albany

Stephens County.

Sligar, Evelyn	Breckenridge
Benson, A. D.	Breckenridge
Magness, Vada	Breckenridge
Dawkins, W. H.	Breckenridge

Taylor County.

Couch, Preston	Abilene
Brooks, Maurice V.	Abilene
Taylor, Mary Lou	Abilene
Faucett, Elizabeth	Abilene
Parmelly, Grady	Abilene
Pride, Joe D.	Abilene
Walls, Dorothy	Abilene
Browning, Mrs. Emma	Abilene
Crowder, Lorene	Abilene
Walker, Velma	Merkel
Koehler, Bertha	Abilene
Hardin, Sophy	Abilene
Mangum, F. L.	Abilene

Throckmorton County.

Stribling, Ola R. Throckmorton
Parks, A. V. Throckmorton

Eastland County.

Hardwick, R. R. Eastland
Hunt, D. G. Eastland
Chastain, O. F. Eastland
McCarty, Milburn Eastland
Smith, Mary Eastland
Phillips, E. W. Ranger
Trammell, Louise Cisco
Blankenship, J. D. Eastland

Nolan County.

Earp, V. Earl Sweetwater
Johnson, F. R. Sweetwater
Jones, Mrs. J. M. Sweetwater
Morgan, Mrs. Frank, Jr. Sweetwater
Shore, Lillian Sweetwater
Burns, Geo. C. Sweetwater

Callahan County.

Baulch, Tee Clyde

Fisher County.

McWhirter, Nell Roby
Yates, Edmund C. Roby
Hollar, V. V. Roby

Scurry County.

Austin, G. R. Snyder

TWENTY-FIFTH DISTRICT.**Brown County.**

Davis, Patsy Brownwood
Davis, Patsy Brownwood
Tolleson, W. C. Brownwood
Connally, D. L. Brownwood
Daughety, O. Brownwood
Anderson, C. D. Brownwood

Tom Green County.

Johnston, H. M. San Angelo
Johnson, W. A. San Angelo
Patton, Dennis B. San Angelo
Hornish, Mary Robella San Angelo
Hornish, Eva Harris San Angelo
Charlton, A. S. San Angelo
McClure, Roy San Angelo
Adams, Arthur San Angelo
Hilliard, J. W. San Angelo
Houston, L. C. San Angelo
Johnson, H. M. San Angelo
Lindley, Mrs. J. T. San Angelo
Liddell, Edna E. San Angelo
Rodriguez, Jose M. San Angelo
Willoughby, M. A. San Angelo
George, W. T., Jr. San Angelo

Coleman County.

Scarborough, E. P. Coleman
Van Dalsem, Curtis H. Coleman
Haun, R. P. Coleman
Justice, Foy Coleman

Concho County.

Thomas, F. O. Paint Rock
Crunk, Marjorie Paint Rock
Bishop, A. S. Eden
Caffnall, W. J. Eden
Anderson, W. R. Eola

Irion County.

Rutledge, W. P. Sherwood

Mills County.

Gilliam, E. B., Jr. Goldthwaite
Berry, John G. Goldthwaite

Runnels County.

Trimmier, Paul Ballinger
Wilson, M. C. Ballinger
Green, C. L., Jr. Winters
Petty, Paul Ballinger
Sullivan, C. E. Winters

Menard County.

Scruggs, T. A. Menard

Comanche County.

Hart, John S. Comanche
Harrison, J. O. Gustine
Hicks, S. J. Comanche
Parker, D. P. Comanche

Gillespie County.

Weinheimer, Ad Fredericksburg

Kimble County.

Davis, Luther W. Junction
Furr, Raymond O. Junction
Hagood, W. E. Junction
Fussell, Mrs. J. W. London

Mason County.

Whitaker, Damon Mason

McCulloch County.

McMorris, Smith Melvin
McMorris, Herbert Melvin
Neyland, E. M. Pear Valley
Parker, Lois Brady
Trotter, Henry Brady

Sterling County.

Worthy, Oliver Sterling City

TWENTY-SIXTH DISTRICT.

Bexar County.

Post office address is San Antonio, unless otherwise indicated.

Barrett, Elizabeth	126 E. Pyron St.
Barrett, Grady	Alamo Bank Bldg.
Barrett, Thurman	
	429 N. St. Mary's St.
Bonham, Guy	426 Aztex Bldg.
Compton, J. H.	Milam Bldg.
Coon, Robert P.	709 Travis Bldg.
Dakan, H. C.	care Light Pub. Co.
Davis, Alexina	
	628 E. Woodlawn Ave.
Duncum, Maurie	Box 1022
Early, Ernest L.	Travis Bldg.
Fahrenthold, Miss Dorothy	
	505 Travis Bldg.
Fain, C. B.	
	care Pierce Gasoline Corp.
Fowler, Mrs. S. C.	
	South San Antonio Post Office
Glass, Frances	406 Mary St.
Gonzales, Juan	1425 Guadalupe St.
Grosskopf, H. R.	
	care Witherspoon Oil Co.
Hale, Myrtle	816 E. Quincy
Harper, Eleanor	802 Majestic Bldg.
Harrigan, D. D.	Brady Bldg.
Johnson, Thomas J.	1141½ Essex St.
Kellam, Ina Mae	Alamo Bank Bldg.
Logan, Ruth R.	care
	Geo. R. Gillette, Morris Plan Bank
McQuire, J. Douglas	322 Hicks Bldg.
Menchaca, Joe	
	506 Nat'l Bank of Commerce Bldg.
Miller, C. A.	429 N. St. Mary's St.
Owens, John J., Jr.	
	1245 E. Crockett St.
Padula, J. A.	429 N. St. Mary's St.
Ponder, Russell	
	3752 W. Woodlawn Drive
Powell, Valma	128 W. Magnolia
Quigley, Mary James	
	135 Barilla Place
Randolph, Nowlin	701 Gunter Bldg.
Rice, H. E.	311 Houston Bldg.
Ryce, Harold W.	601 N. Centre St.
Shelton, Mrs. M. K.	
	care J. H. Compton Co.
Smith, Verna	801 Brady Bldg.
Toohey, Cathryn	
	1113 Majestic Bldg.
Wolff, Howard	
	708 Nat'l Bank of Commerce Bldg.
Brecher, A. F.	
	care Albert Huth, County Assessor
Buchanan, Frank B.	
	care T. M. West,
	Nat'l Bank of Commerce Bldg.
Everett, W. Hume	1114
	Nat'l Bank of Commerce Bldg.
Guerguin, Carlos	307 Brady Bldg.
Gunn, Thos. A.	422 N. Main Ave.
Hagerty, Clem D.	Alamo Nat'l Bldg.
Harmon, Mrs. Callie Pearl	
	743 Fulton Ave.
Hennessey, Blanche L.	
	1506 Grayson St.
Hennessey, Peter J.	
	1506 Grayson St.
James, J. E.	901 Broadway
Light, William M.	
	302 W. Mistletoe Ave.
Macfarlane, Charles R.	
	220 E. Sheridan St.
Maltsberger, Van	
	care County Clerk's Office
Nichols, B. H.	108 Newton St.
Perry, Rosse L.	
	care Victory Wilson, Inc.
Saathoff, Norvell	
	care Household Furniture Co.
Shaw, S. G.	General Delivery
Slinkard, H. H.	209 Alamo Plaza
Smith, J. Robert	
	Co. Assessor's Office, Courthouse
Tasto, Ben F.	
	care Household Furniture Co.
Toscano, B. S.	108 E. Houston St.
Wormser, A. M.	
	Opperman Realty Co., Travis Bldg.
Anderson, Mossie	
	722-23 Medical Arts Bldg.
Ashcraft, Allan C.	605½ Dolorosa St.
Beaury, George C.	care Southland
	Industries, Inc., P. O. Box 1144
Bosshardt, Frank J.	Houston Bldg.
Carpenter, C. H.	315 Loraine Ave.
Cosgrove, James	215 Arciniega St.
Covington, Mamie	630 Schley Ave.
Crawford, Louise	223 W. Huisache
Dabbs, Mrs. Alverta	
	Alamo Nat'l Bldg.
Dillashaw, H. L.	614 Trenton Ave.
Engelking, H.	Houston Bldg.
Engelking, S.	Houston Bldg.
Feigenbaum, J. W.	
	1020 Lee Hall St.
Feigenbaum, Mrs. R. G.	
	1020 Lee Hall St.
Garcia, Ignacio P.	
	2020 Virginia Blvd.
Gass, Frances	406 Mary St.
Glentzer, M. A.	
	2602 Buena Vista St.
Gomez, Henry	226 Dolorosa St.
Harrell, Elisabeth	
	1420 Alamo Nat'l Bldg.
Ingrum, R. P.	Western Nat'l Bldg.
Johnson, Thomas J.	1114½ Essex St.
Juarez, Eugene C.	
	3438 W. Houston St.

Koch, Norma E. 1024 Milam Bldg.
Lester, Stephen D. 911 Fulton Ave.
Lowrey, J. Bernays

404 Alamo Nat'l Bldg.
McCabe, H. W. 231 Yellowstone
McCoach, W. H. Central Bldg.
McNair, D. G.

County Commissioners Court
Nolan, Lee 426-7 Aztec Bldg.
N, Juan Gonzalez

1425 Guadalupe St.
Sandoval, R. S. 124 Perez St.
Sasse, A. W. P. O. Box 74
Stanfield, R. L. 214 E. Ashby
Tomlinson, J. D.

429 N. St. Mary's St.
Townsend, J. Light 802 Woodlawn
Casseb, Solomon 200 Hicks Bldg.
Alsbrook, R. W. 119 W. Travis St.
Angel, R. M. 238 Chicago Blvd.
Bond, T. L. 205 Gibbs Bldg.
Burkhalter, Mrs. Antoinette

710 Broadway
De Coste, Creston 137 Beatrice St.
Goforth, L. S. 233 W. Summit
Hassell, Wallace 138 Clifford Court
Horton, J. A. 301 Lamar St.
LeSturgeon, E. G. Crockett Hotel
Liberto, Enrico 304 Produce Row
Lund, Virginia 335 Pershing Ave.
Lyons, J. J. care Police Dept.
McFall, G. D. 810 S. Presa St.
Martin, Miss Margaret

515 Soledad St.
Mitchell, B. 1041 Navarro St.
Olinger, Nellie W. Crockett Hotel
Pace, Julius 225 E. Commerce St.
Redford, Cecil D.

2018 Alamo Nat'l Bldg.
Richter, Miss Ida H. 515 Soledad St.
Schaefer, Margaret

1406 N. Center St.
Tatum, Oscar J. 230 Center St.
Watson, Roger F. 1313

Nat'l Bank of Commerce Bldg.
White, S. A. 1730 E. Houston St.
Wangeman, Otto E. 332 Florida
Wilkins, J. Ed. 825-6-7 Brady Bldg.
Williams, Raymond H. 1012

Nat'l Bank of Commerce Bldg.
Wimberly, Joseph G. 401 Center St.
Windlinger, Rose 314 Goliad St.

Kerr County.

Van Houten, Frank Kerrville

TWENTY-SEVENTH DISTRICT.

Hidalgo County.

Hornburg, Jane Wista Edinburg
Allen, Agnes Pharr
Bell, W. M. D. Donna

Barrera, Hector Mercedes
Davis, Susie Edinburg
Alamia, P. C. Edinburg
Flores, R. A. Edinburg
Hanson, Ella L. Pharr
Hogan, Edwin Edinburg
Jean, Evors Edinburg
Pile, E. W. McAllen
Yearwood, R. D. Mercedes

Cameron County.

Craig, P. D. Brownsville
Adams, Marie W. Combes
Bowie, Chas. C. San Benito
Craig, P. D. Brownsville
Yturria, Fausto Brownsville
Isom, R. E. Brownsville
King, Scheer N. San Benito
Lozano, G. M., Jr. Harlingen
Palmer, Mildred M. San Benito
Pilgrim, Fred F. Brownsville
Shipley, T. D. Santa Maria
Storm, O. P. Harlingen
Wilmeth, E. E. San Benito
Kimmell, Gordon A. Harlingen
Creed, Quincy M., Jr. Harlingen
Creps, C. W. San Benito

Brooks County.

Johnston, Robt. E. Falfurrias

Dimmit County.

Holland, A. M. Carrizo Springs
McMains, Floye Carrizo Springs

Frio County.

Robertson, H. G. Dilley

Jim Hogg County.

Garcia, E. G. Hebbronville

Jim Wells County.

Kynette, Philippa G. Alice
Wild, O. K. Alice

Kleberg County.

Dube, E. O. Kingsville
Brown, Dwight M. Kingsville

La Salle County.

Kerr, W. A., Jr. Cotulla

Nueces County.

Jones, Lorraine Corpus Christi
Lambert, Mamie Corpus Christi
Meitzen, W. F. Robstown
Poteet, J. B. Corpus Christi
Morgan, Fred F. Corpus Christi
Rosales, Evangeline Corpus Christi
Sammons, Cleveland Corpus Christi

Sands, Howard Corpus Christi
 Hayden, Mrs. Nan Corpus Christi
 Hayden, Nan Corpus Christi
 White, W. E. Corpus Christi
 Prasifka, F. W. Robstown

Starr County.

Hinojosa, Lucas Grulla
 Decker, Geo., Jr. Rio Grande City
 Longoria, Armando Grulla
 Haliburton, Tracey ... Rio Grande City
 Lund, George Rio Grande City
 Nix, Frank P. Rio Grande City
 Valle, Ruben G. Rio Grande City
 Zarate, F. G. Rio Grande City
 Sanchez, A. M. Rio Grande City
 Sanchez, Ynadalecio, Jr. Rio Grande City

Willacy County.

Bull, Richard Lee Raymondville
 Shoquist, Frances Raymondville

Webb County.

Alexander, Charles Laredo
 Arguindegui, P. R. Laredo
 Baxter, D. L. Laredo
 Heaner, W. B. Laredo
 Hill, Paul S. Laredo
 Kazen, Philip A. Laredo
 Love, Ethel Laredo
 Stanton, L. W. Laredo
 Salinas, A. B. Laredo
 Royola, John Laredo
 Nye, Frank W. Laredo
 Pierce, Charlie Laredo
 Randolph, F. H. Laredo
 Viduarri, R. A. Laredo
 Winslow, W. W. Laredo

Zapata County.

Ramirez, Leon J. Lopena

Kenedy County.

Hill, John C. Armstrong

TWENTY-EIGHTH DISTRICT.

Tarrant County.

Post office address is Fort Worth unless otherwise indicated.

Beavers, Geo. F. Box 1990
 Bratcher, Miss Ruth ... Fort Worth
 Harris, Miss Nadine ... Fort Worth
 Pannell, E. C. Fort Worth
 Shamburger, W. H.
 care Bucy-Ingram Co.
 Sparks, G. B. Fort Worth
 Wootton, Miss Margaret Fort Worth
 Baker, Bernice 1st Nat'l Bank Bldg.

Boone, W. J. 3208 Odessa
 Hamilton, Walter Lydick Roofing Co.
 Hammond, G. W. Department
 of Commerce, Aeronautic Branch
 King, T. C. 607 1st Nat'l Bk. Bldg.
 Reed, Andrew 615 Main St.
 Seward, I. L.

..... 305 Medical Arts Bldg.
 Alexander Zalee 401 E. Ninth St.
 Barnett, Olive N. 1221 Hurley Ave.
 Boswell, Mrs. M. S. 4901 Ave. E.
 Bray, Etta 2100 Ellis Ave.
 Brelsford, Madge Trinity Life Bldg.
 Brown, Dolly
 8th Fl. Trinity Life Bldg.
 Butcher, J. W. 316 Houston St.
 Chauncy, Dixie
 8th Fl. Trinity Life Bldg.

Clardy, Jim W.
 715 First Nat'l Bank Bldg.
 Cochran, Mary 3605 Ave. G
 Collup, Mrs. W. B. 3018 Ave. L
 Cromwell, Freida
 8th Fl. Trinity Life Bldg.
 Fowler, Peggy 608 West 4th St.
 George, Mrs. M. 611 Lamar St.
 Graves, S. R. 411 St. Louis Ave.
 Groene, Mrs. Susan 608 West 4th St.
 Hightower, Josephine
 3315 Livingston St.
 Hipple, W. Arlington
 Johnson, Frances Trinity Life Bldg.
 Kuykendall, F. L.

..... 506 Petroleum Bldg.
 McDuffff, T. B. 925 S. Main St.
 Peel, Stella 1130 Fifth Ave.
 Raybor, Jean 1267 E. Myrtle St.
 Sanders, M. E. 512 Reynolds Bldg.
 Scott, Roy A.
 1516 W. T. Waggoner Bldg.
 Stamps, Mrs. Helen
 Trinity Life Bldg.
 Tandy, Lewis H. 512 Reynolds Bldg.
 Thurman, Mrs. Gladys Fort Worth
 Wolf, Opal
 8th Fl. Trinity Life Bldg.

Auvenshine, Dick
 State Highway Department
 Ball, Prentis E. 606 W. Allen Ave.
 Boswell, Mrs. M. W.
 804 Neil P. Anderson Bldg.
 Burch, A. M. General Delivery
 Cochran, Mary
 804 Neil P. Anderson Bldg.
 D'Arcy, James A.
 3719 Camp Bowie Boulevard
 Dawson, A. W.
 604 Burk Burnett Bldg.
 Dickey, Mrs. Rose M. 105 E. 10th St.
 Duval, J. C. 604 Burk Burnett Bldg.
 Gaither, Mary Ruth
 2816 S. Adams St.

George, Mrs. Maude.....
804 Neil P. Anderson Bldg.
 Hightower, Miss Johnnie.....
804 Neil F. Anderson Bldg.
 Keith, Julian T.....917 W. Cannon
 Knox, W. M.....Keller
 Nail, C. J.....604 Burk Burnett Bldg.
 Ownen, Mrs. Nina Mae.....
909 Sixth Ave.
 Webb, D. A.....604 Burk Burnett Bldg.
 Whitaker, Fred.....408 Waggoner Bldg.
 Ford, Arthur D.....600 W. 7th
 Tyler, B. G.....1900 Fifth Ave.
 McNeilly, Aanabel.....2133 So. Jennings

TWENTY-NINTH DISTRICT.**Brewster County.**

Beckham, I. E.....Alpine
 Willoughby, R. L.....Alpine

El Paso County.

McConnell, A. H.....El Paso
 Greenwood, Bruce.....El Paso
 Freeman, Marguerite.....El Paso
 Winningham, M. M.....El Paso
 Miller, R. F.....El Paso
 McIntosh, Mary.....El Paso
 Ramsey, W. K.....El Paso
 Kinnison, W. G.....El Paso
 Austin, Dorothy.....El Paso
 Pool, Hon. Adrain.....El Paso
 Caulfield, S. W.....El Paso
 Martin, Alicia L.....El Paso
 Ferguson, J. S.....El Paso
 Fleming, C. H.....El Paso
 Gilland, Margaret.....El Paso
 Hibbert, Chas.....Canutillo
 Miller, N. O.....El Paso

Uvalde County.

Willingham, Mrs. Hallie.....Sabinal
 McCauley, Rosalie Durham.....Sabinal
 Henze, E. T.....Uvalde

Val Verde County.

Bradford, E. P.....Pumpville
 Sheppard, A. J.....Del Rio
 Prestridge, K. K.....Del Rio

Presidio County.

Bledsoe, R. I.....Presidio
 Bates, Willie.....Marfa
 Bunton, John B.....Marfa
 Wease, Olive.....Marfa
 Swearingen, S. M.....Marfa
 Edwards, J. I.....Marfa

Midland County.

Hill, Marie.....Midland
 Lewis, Madolyn.....Midland
 Shelton, Mrs. Ethel.....Midland

Reeves County.

Moran, Pat.....Balmorhea
 Shelton, W. R.....Balmorhea
 Walker, Catherine.....Balmorhea
 Isaacks, Rutledge.....Pecos
 Ridgway, R. Bonna.....Pecos
 Douglas, P. R.....Pecos
 Miller, J. N.....Pecos
 Wells, D. M.....Balmorhea

Ector County.

Webb, Betty Lou.....Odessa
 Duckworth, K. E.....Odessa

Winkler County.

Mosley, Eddie Mae.....Kermit

Edwards County.

Wallace, L. V.....Barksdale
 Minter, M. L.....Rocksprings

Upton County.

Faver, Glenn.....McCamey

Ward County.

Nance, W. M.....Monahans

Pecos County.

Warnock, R. A.....Fort Stockton

Terrell County.

Vaughan, William C.....Sanderson

Sutton County.

Taylor, H. L.....Sonora

Reagan County.

Reed, J. C.....Big Lake

Hudspeth County.

Love, B. N.....Sierra Blanca

Culberson County.

McKee, A. G.....Van Horn

THIRTIETH DISTRICT.**Bailey County.**

Jordan, J. B.....Goodland
 McDonald, Eunice.....Muleshoe

Crosby County.

Noel, Leon.....Ralls
 Ezell, Will F.....Crosbyton
 Ingram, C. C.....Crosbyton

Howard County.

Ford, Steve D., Jr. Big Spring
 Liebman, Ruth Big Spring
 Griffin, Gertrude Big Spring
 McNew, Florence Big Spring
 Johnson, J. L. Forsan
 Wolf, Mary Big Spring
 Pruitt, J. A. Big Spring
 Horton, Viola Big Spring
 Lowe, Edward Big Spring

Lubbock County.

Toles, John E. Lubbock
 Davis, Lee B. Lubbock
 Rodgers, Robt. S., Jr. Lubbock
 Boverie, Bess Lubbock
 Harrison, Miss Willie Lubbock
 Royalty, W. W. Lubbock
 Black, W. A. Lubbock
 Holley, Myrtle Lubbock
 Neill, Geo. W. Lubbock
 Reed, Clayton Lubbock
 Jackson, Doris Lubbock
 Conley, Audrey Allen Lubbock
 Dillard, J. J. Lubbock
 Dillard, Bryan B. Lubbock
 Campbell, Mrs. Callie Lubbock
 Thompson, J. W. Lubbock
 Weaver, A. V., Jr. Lubbock
 Jones, Frank Lubbock
 Ellis, A. B. Lubbock
 Tubbs, Miss Loys Lubbock
 McCreary, Edna May Lubbock
 Webb, Gordon Lubbock
 Ashmore, Leila Lubbock
 Kerr, James C. Lubbock

Lynn County.

Bulman, J. H. Tahoka

Dickens County.

Ratliff, L. D., Jr. Spur
 Brummett, H. A. C. Dickens
 Arthur, O. C. Dickens
 Crider, E. S. Spur

Hale County.

Aitchison, Bruce Plainview
 Hawkins, T. L. Plainview
 Williams, A. G. Plainview
 Brown, Herschel Plainview

Cottle County.

Bishop, W. A. Paducah
 Combest, Theodore Paducah
 Stewart, Mrs. Esther Paducah
 Eggleston, W. C. Paducah

Lamb County.

Dulaney, S. C. Littlefield
 Butt, D. L. Sudan

Dawson County.

White, S. P. Lamesa
 Hamilton, A. J. Lamesa

Kent County.

Mayer, L. O. Jayton
 Sewalt, J. W. Jayton

Garza County.

McPherson, G. E. Post

Terry County.

McBride, H. E. Brownfield

Stonewall County.

Haynes, W. A. Aspermont

THIRTY-FIRST DISTRICT.**Deaf Smith County.**

Cogdell, F. M. Hereford
 Danforth, H. E. Hereford

Gray County.

Ward, L. J. Shamrock
 Frazee, W. R. Pampa
 Bastin, Marie Pampa
 Favors, Ennis C. Pampa
 St. Clair, V. E. Pampa

Hansford County.

Lee, R. E. Spearman

Potter County.

Armstrong, Franklin Amarillo
 Wyatt, Wanda Amarillo
 Vaughan, Mrs. A. H. Amarillo
 Reed, Mattie Amarillo
 Oakes, J. M. Amarillo
 Somerville, G. O. Amarillo
 Mathis, M. G. Amarillo
 Bagwell, J. L. Amarillo
 Smith, Alleta Abbott Amarillo
 Pearson, Lillie Amarillo
 Davidson, Ruth Amarillo
 Lemons, Jack D. Amarillo
 Murchison, Lula Mae Amarillo
 Ochsner, Edwin C. Amarillo
 Foster, W. C. Amarillo
 Thompson, Marion Amarillo
 Hilton, Lillian Amarillo
 Winkler, Frank Amarillo
 Gardner, Reynold M. Amarillo
 Curlin, Clara M. Amarillo
 Blohm, M. L. Amarillo
 Gallas, F. I. Amarillo
 Odgen, Bennett Amarillo
 Rust, Lottie Amarillo

Swisher County.

Sweepston, Aldine Tulia
 Hutto, J. W. Tulia
 Humphreys, W. R. Tulia
 Graham, W. A. Tulia
 Tomlinson, Guy H. Tulia
 Sherrod, Billie G. Tulia

Wheeler County.

Flanagan, Ruby Shamrock
 Moss, Homer L. Shamrock

Carson County.

Moss, G. B. White Deer

Childress County.

Bellah, Marie Childress
 Brown, T. G. Childress
 McQuerry, J. C. Childress
 Miller, Sam L. Childress
 Duncan, Edith Childress

Lipscomb County.

Mills, Mrs. W. C. Booker
 Cabe, Ruth Higgins

Ochiltree County.

Smith, J. M. Farnsworth
 Wilson, D. C. Perryton
 Fletcher, Esther Perryton
 Smith, Merton Perryton
 Conley, Myrtle Perryton
 Fletcher, Esther Perryton
 Keith, R. L. Perryton

Dallam County.

Horne, L. F. Dalhart
 Goss, Katharine Dalhart
 Lumbert, Alvin Dalhart

Hall County.

Reynolds, C. A. Memphis
 Fitzjarrald, John O. Memphis
 Foxhall, Edward N. Memphis
 Joyner, J. B. Turkey

Roberts County.

Berry, Mrs. Thelma Miami

Collingsworth County.

Blanton, Alma Wellington
 Dunson, Riley Wellington

Castro County.

Heard, John N. Hart

Moore County.

Crigler, Gaye Dumas
 Sullens, Lee Dumas

Hemphill County.

Brown, Gwendolyn Canadian
 Hodges, G. W. Canadian

Donley County.

Lawler, N. M. Clarendon

Parmer County.

Clements, W. H. Bovina

SUPPLEMENTARY LIST.**THIRD DISTRICT.****Tyler County.**

Lee, Thomas Knox Woodville

Cherokee County.

Richardson, D. R. Jacksonville

FOURTH DISTRICT.**Jefferson County.**

Gaddy, M. B. Beaumont
 Nelson, Cecelia Beaumont
 McDaniel, T. W. Beaumont

Orange County.

Wiel, Florette Orange

Hardin County

Fountain, J. O. Kountze

FIFTH DISTRICT.**Houston County.**

Bruton, W. T. Lovelady
 Hill, J. E. Crockett
 Burton, A. B., Jr. Crockett
 Petty, Mrs. Sallie Austonio
 Petty, Sallie Austonio
 Gee, Wm. M. Crockett
 Dunnam, T. W. Grapeland

Leon County.

Haley, C. G. Oakwood

Polk County.

Liem, W. H. Livingston

SIXTH DISTRICT.**Anderson County.**

Ludlow, A. W. Elkhart
 Bobbitt, Miss Ione Palestine
 Bobbitt, Ione Palestine

Freestone County.

McCary, Leslie Streetman
 McCary, F. L. Streetman

Leon County

Hunt, Julian M. Oakwood

Anderson County.

Taylor, Eva Palestine

SEVENTH DISTRICT.**Camp County.**

Hull, W. M. Pittsburg
 Laurence, J. D. Pittsburg

Smith County.

Dickerson, Dale Winona
 Fitzgerald, W. M. Tyler
 Dickson, H. L. Whitehouse
 Hammond, George Mineola
 McCary, B. F. Tyler
 Cooper, Ray B. Arp
 Whitham, J. H. Tyler
 Shoemaker, G. L. Tyler

Wood County.

Dendy, Jim W. Yantis
 Bogan, Gus T., Sr. Mineola
 Goldsmith, B. M. Quitman

Smith County.

Martin, Linda Tyler
 Kirkpatrick, Ralph Tyler

Wood County.

Russell, Jon Mineola

EIGHTH DISTRICT.**Lamar County.**

Aikin, A. M., Jr. Paris
 Grandberry, S. J. Paris

TENTH DISTRICT.**Hunt County.**

Decker, Herbert Greenville
 Metheny, Jessie Greenville

THIRTEENTH DISTRICT.**Falls County.**

Derden, Albert L. Marlin

McLennan County.

Chelders, Robbie Waco
 Bryan, Everett Waco
 McElroy, Mrs. Laura Waco

FOURTEENTH DISTRICT.**Austin County.**

Vlcek, Valentine Bellville

SIXTEENTH DISTRICT.**Harris County.**

Hill, J. R. 617 Mason Bldg.
 Witt, B. J. Tomball

SEVENTEENTH DISTRICT.**Fort Bend County.**

Stabler, M. Sugarland

TWENTIETH DISTRICT.**Travis County.**

Marlow, Lucile Austin

TWENTY-SECOND DISTRICT.**Wise County.**

Renshaw, Holley Decatur

TWENTY-FOURTH DISTRICT.**Mitchell County.**

Skinner, Weldon A. Colorado

TWENTY-SEVENTH DISTRICT.**Hidalgo County.**

Gregory, D. A. EdCouch

Hidalgo County.

Hogan, E. L. (Edwin) Edinburg
 Davis, Susie M. Edinburg

Kleberg County.

Brown, D. M. Kingsville

Nueces County.

Sherman, Lenora L. Corpus Christi
 Sherman, Lenora Lewis
 Corpus Christi

Webb County.

Vidaaurri, R. A. Laredo

TWENTY-EIGHTH DISTRICT.**Tarrant County.**

Anderson, D. P. 2615 W. 7th St.
 Roark, F. R. 2615 W. 7th St.
 Brown, Mrs. Bertha H.
 1205 E. Tucker St.

Brown, Bertha H.	Wooten, Miss Margaret .. Fort Worth
..... 1205 E. Tucker St.	Rand, Susie Mae Fort Worth
Cotten, Bonita 426 Lipscomb St.	McAlester, A. L. care Mo-
Ladd, Ruth 1525 Fair Bldg.	tor Finance Co., 116 Commerce St.
Lile, Marionette 1525 Fair Bldg.	TWENTY-NINTH DISTRICT.
Collins, Martha 1525 Fair Bldg.	El Paso County.
Armstrong, H. Lloyd	Gilland, Margaret F. El Paso
..... 1525 Fair Bldg.	

